

FBIS

DAILY REPORT

CONTENTS

China

Vol I No 062

1 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

| | | |
|--|---|---|
| CPC Spokesman on Party Relations With CPSU, Others | A | 1 |
| PRC UN Delegate Scores U.S. Action Against Libya | A | 1 |

UNITED STATES

| | | |
|--|---|---|
| Publisher Cites Deng on Three Gorges Project [AFP] | B | 1 |
| U.S. Oil Company Exploratory Well Producing | B | 1 |

NORTHEAST ASIA

| | | |
|--|---|---|
| Kim Il-song Reportedly Visited PRC in December [KYODO] | D | 1 |
| PRC Denies Report [KYODO] | D | 1 |
| Japanese Court Verdict on PRC 'Property' Protested | D | 1 |
| Vice Premier Yao Yilin Meets Japanese Delegation | D | 2 |
| DPRK Rejects South's Call for Talks Resumption | D | 2 |
| Qiao Shi Meets DPRK Procuratorate Delegation | D | 3 |
| Nakasone Cautious on Japan's SDI Participation | D | 3 |

SOUTHEAST ASIA & PACIFIC

| | | |
|---|---|---|
| Hu Yaobang Meets Australians; Hu Qili Present | E | 1 |
| Philippine Secretary Refutes Marcos Presidency | E | 1 |
| Philippine Civilian Home Defense Force Dismantled | E | 1 |

SOUTH ASIA

| | | |
|---|---|---|
| IAEA Lauds Pakistan's Use of Nuclear Energy | F | 1 |
| Afghan Guerrillas Attack Soviet-Karmal Troops | F | 1 |

WESTERN EUROPE

| | | |
|---|---|---|
| CPC Delegation To Attend Italian CP Congress | G | 1 |
| Danish Prime Minister Welcomes PRC Open Policy | G | 1 |
| Cui Yueli Hosts Banquet for Finnish Minister | G | 1 |
| Yang Dezhi Meets Netherlands Navy Commander | G | 2 |
| FRG-GDR Joint Contribution to Arms Talks Urged | G | 2 |
| Thatcher Suggested as Nuclear Test Ban Mediator | G | 2 |

EASTERN EUROPE

| | | |
|---|---|---|
| Wan Li Meets Romanian Deputy Prime Minister | H | 1 |
| SFRY Official on Superpowers in Mediterranean | H | 1 |

MIDDLE EAST & AFRICA

| | |
|---|-----|
| Moroccan Parliamentarians Arrive for Visit | I 1 |
| NPC Welcome Banquet | I 1 |
| Meet With Peng Zhen | I 1 |
| Talk With Yao Yilin | I 2 |
| Xi Zhongxun Addresses CPC Banquet for ANC Group | I 2 |

PRC NATIONAL AFFAIRS

| | |
|--|------|
| State Council Regulations on Lateral Economic Ties | K 1 |
| Plant Director Responsibility System Considered | K 6 |
| [RENMIN RIBAO 17 Mar] | |
| Trade Union Participation in Government Explored | K 10 |
| [GONGREN RIBAO 27 Feb] | |
| Unions Encouraged To Enhance, Promote Policy | K 13 |
| [GONGREN RIBAO 27 Feb] | |
| Direction of Marxist Theoretical Studies Seen | K 15 |
| [RENMIN RIBAO 21 Mar] | |
| Marxist Writer Ai Siqi, Works Remembered | K 17 |
| [RENMIN RIBAO 21 Mar] | |
| Further Reportage on Sixth NPC Meeting | K 20 |
| Huang Hua on Foreign Policy | K 20 |
| Xu Jiatun Speaks | K 21 |
| Ideo-Political Work Stressed | K 21 |
| 'Law for Public Servants' Urged | K 22 |
| Wang Enmao at Dance | K 23 |
| Hong Kong, Macao Deputies Feted | K 23 |
| Reform of Supply, Marketing Cooperatives Viewed | K 24 |
| [RENMIN RIBAO 24 Mar] | |
| State Council Circular on Electronics Industry | K 25 |
| State Council Circular on Forest Fire Prevention | K 26 |
| State Council Circular on Production Safety | K 27 |
| Zhang Jingfu Addresses Production Safety Meeting | K 28 |

PRC REGIONAL AFFAIRS

EAST REGION

| | |
|---|-----|
| Wang Yuzhao Backs Anhui Auditing Practice | O 1 |
| Fujian To Step Up Struggle Against Crime | O 1 |
| Han Peixin Addresses Jiangsu Economic Forum | O 2 |
| Jiangxi's Wan Shaofen on Jobs for Graduates | O 2 |

SOUTHWEST REGION

| | |
|--|-----|
| Sichuan Takes Measures To Solve Petroleum Shortage | Q 1 |
| Yang Rudai Addresses Sichuan Publishing Units | Q 1 |
| Xizang's Wu Jinghua Speaks at Tourism Meeting | Q 1 |

NORTH REGION

| | |
|---|-----|
| Beijing Officials Get Jail Sentences for Corruption [CHINA DAILY 31 Mar] | R 1 |
| Beijing Official on Handling Economic Crimes [BEIJING RIBAO 17 Mar] | R 1 |
| Beijing Radio on Extravagant Wining, Dining | R 2 |
| Tianjin Meeting on Struggle Against Economic Crimes [TIANJIN RIBAO 19 Mar] | R 3 |
| Tianjin Brings Convicts to Public Trial [TIANJIN RIBAO 19 Mar] | R 3 |

NORTHWEST REGION

| | |
|---|-----|
| Ningxia Writer Defends Controversial Novel | T 1 |
| Yin Kesheng Speaks at Qinghai Economic Conference | T 1 |
| Shaanxi Official Jailed for False Accusation | T 2 |
| Shaanxi Readjusts Grain Procurement Policies | T 3 |
| Xinjiang Commentary on Improving Party Style | T 4 |

PRC MEDIA ON TAIWAN AFFAIRS

| | |
|--|-----|
| Appeals for Change Reported at KMT Meeting | U 1 |
|--|-----|

TAIWAN

| | |
|--|-----|
| KMT Central Advisory Committee Holds Session | V 1 |
| Elects 31 Members | V 1 |
| Chiang Ching-kuo Addresses KMT Closing Session | V 1 |
| Resolution Passed | V 2 |
| Spokesman Rules Out Nuclear Arms Development [LIEN HO PAO 29 Mar] | V 2 |
| U.S. Cautioned Against Wrong Approach to ROK | V 2 |
| U.S. Policy on Nicaraguan Contras Endorsed | V 3 |
| Further Cooperation With Philippines Noted | V 4 |

CPC SPOKESMAN ON PARTY RELATIONS WITH CPSU, OTHERS

HK311552 Beijing ZHONGGUO XINWEN SHE in Chinese 1440 GMT 31 Mar 86

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- Today, at a news briefing, Wu Xingtang, a spokesman for the CPC Central Committee's International Liaison Department, answered questions raised by Chinese and foreign reporters on the relations between CPC and the communist parties of other countries.

[Reporter] Have relations between the two parties been discussed in Beijing or Moscow?

[Wu] The problem to be solved by China and the Soviet Union now is the problem of eliminating the three major obstacles. The resumption of relations is still out of the question now.

[Reporter] Has China given thought to the problem of establishing relations with the communist parties of Eastern European countries?

[Wu] China has not resumed its relations with some communist parties. Our principle is that we are willing to resume relations with any communist party on the basis of the principle of independence and taking the initiative in one's own hands in interparty relations. We are pleased to see that in recent years, the political, economic, and cultural relations between China and some Eastern European countries have been developing significantly.

[Reporter] How about the relations between China and the Portuguese Communist Party?

[Wu] In mid-March, the Portuguese Communist Party sent a delegation to China. General Secretary Hu Yaobang met and held cordial talks with the delegation. The delegation was the first one sent by the Portuguese Communist Party to China over the past 20 years or so. The delegation came to pay a return visit to the CPC, which sent a delegation to visit Portugal last year. The CPC and the Portuguese Communist Party respect each other's domestic and foreign policies. We believe that, in the future, we will strengthen contacts and exchanges in order to give impetus to the development of the relations between the two parties.

[Reporter] What is the present state of the relations between the CPC and the Communist Party of the Philippines [CPP]? Can you say something on which CPP policies and goals are acceptable to the CPC?

[Wu] Like the relations between the CPC and other communist parties, the relations between the CPC and the CPP are moral ones. China will not comment on CPP internal policies because this is their own affair.

[Reporter] Has the CPC been in contact with the Korean Party and Kim II-song of late? Does the CPC plan to this year?

[Wu] There are close relations between the CPC and the KWP. The leaders of the two parties frequently contact each other and discuss international issues and matters of common concern. However, the timing of future meetings and contacts will depend on the circumstances.

PRC UN DELEGATE SCORES U.S ACTION AGAINST LIBYA

OW281128 Beijing XINHUA in English 0706 GMT 28 Mar 86

[Text] United Nations, March 27 (XINHUA) -- Representatives of more than 20 countries spoke today in the U.N. Security Council as it entered the second day of deliberations on the situation in the southern Mediterranean.

The council first met yesterday at the request of Malta, the Soviet Union and the Arab group on the tense situation in the Gulf of Sidra off the Libyan coast where the U.S. Naval forces fired on Libyan vessels and territory earlier this week.

Ambassador Li Luye, China's permanent representative to the United Nations, addressed the council this afternoon. He noted that since the beginning of this year, the U.S. Navy had conducted frequent military maneuvers in the waters near Libya, subjecting the country to military threat and aggravating the tension in the Mediterranean. "The Chinese Government is deeply concerned over these developments," he stated. "The recent attack by the United States on the territory of Libya, a sovereign state, constitutes a violation of the norms governing international relations." He said that it is the consistent position of the Chinese Government to oppose and condemn all acts that violate the norms guiding international relations and encroach upon the territorial sovereignty of other countries.

In this regard, he reminded the council that peaceful settlement of international disputes is a universally recognized principle in modern international law, and one of the important principles of the U.N. Charter. "It is therefore the common obligation of all countries to strictly abide by this principle in handling international relations and not to resort to force or threat of force," he said. Proceeding from this principle, he said, "We call on the United States to cease forthwith its military threat against Libya so as to alleviate the tension in the Mediterranean and restore peace and stability in the region." He also called on both sides to resolve their differences peacefully in accordance with the means and procedures as provided in the U.N. Charter. He further emphasized that the Mediterranean countries, particularly those non-aligned countries, have, in recent years, been actively working for and promoting peace, security and cooperation in the region. He urged all countries to respect the aspirations and efforts of these countries and people.

Among the other speakers this afternoon was the Charge d'Affaires of Libya, Rajae A. Azzarouk. [name as received] He told the council that in this month alone, the U.S. had already conducted four military exercises off the Libyan coast and, since 1981, 18 such exercises. He said that small states in the Mediterranean region were confronted with the choice of either being subjected to the hegemonistic designs of the United States or standing up to the U.S. aggression. The presence of the U.S. 6th Fleet in the Gulf of Sidra should be condemned, he said. "Let us condemn hegemony," he said, adding that all actions contrary to the rule of law should be condemned.

The council will meet again on Monday, March 31. The parties concerned will work through the weekend on draft resolutions. At the moment, three drafts are being considered by Malta, the non-aligned countries and the Soviet Union respectively.

PUBLISHER CITES DENG ON THREE GORGES PROJECT

HK311204 Hong Kong AFP in English 1201 GMT 31 Mar 86

[Text] Beijing, March 31 (AFP) -- Top Chinese leader Deng Xiaoping said that a controversial giant dam on the Yangtze River would have more advantages than disadvantages, a Chinese-American publisher who met with Mr Deng said Monday. "He said the final decision had yet to be made, but taken together there were more advantages than disadvantages" publisher Fu Chao-chu told AGENCE FRANCE-PRESSE after a meeting with Mr Deng.

Mr Fu, a publisher of Chinese-language newspapers in the United States, Canada and Hong Kong, said Mr Deng had told him during the 45-minute meeting that China would solve all problems concerning the dam before proceeding. "Our newspapers have published many reports about the dam and urged the Chinese Government not to decide about it too lightly. He wanted to reassure me that China was considering the question very carefully indeed," Mr Fu said.

The huge project, which would be built on the Yangtze River's scenic Three Gorges, has drawn criticism within China and abroad for its high projected cost, anticipated problems with silting, and the large number of people -- an estimated 10 million -- that would need to be resettled.

Mr Fu quoted Mr Deng as saying that problems of silting and resettlement would be solved before the project was allowed to proceed.

Mr Deng also spoke about his health, repeating, as he recently said to visiting leaders from Denmark and New Zealand, that he had deliberately avoided making public appearances during three months this winter to show that China's policies did not depend on him alone, Mr Fu said. "He likes to joke," said Mr Fu, who quoted Deng as saying "I think I can probably live a few more years. Medical science is very developed now, it's not so easy for a person to die."

Also participating in the meeting was Yang Shangkun, vice chairman of the powerful party Military Commission headed by Mr Deng, who inquired about Mr Fu's stay in China but did not otherwise join in the conversation, Mr Fu said. The general had hosted Mr Fu at a banquet during a previous visit and sat in on Monday's meeting as a friend, Mr Fu said.

Mr Fu's Chung newspapers, which have a circulation of 70,000 in the United States, are considered relatively neutral in their reporting of Chinese news events, analysts said.

The U.S.-based publisher, who arrived here March 12 for a tour of China that included the Three Gorges, was previously received twice by Mr Deng, once on his first visit in 1981 and once last year.

U.S. OIL COMPANY EXPLORATORY WELL PRODUCING

OW311946 Beijing XINHUA in English 1849 GMT 31 Mar 86

[Text] Guangzhou, March 31 (XINHUA) -- An exploratory well drilled by the Occidental Eastern Oil Company of the United States in the eastern part of the basin off the Pearl River mouth is producing oil, the Nanhai (South China Sea) Eastern Petroleum Corporation announced here today. The well spouted 2,100 bbl during a trial operation last Friday. Some 370 km southeast of this capital of Guangdong Province, it is the first oil-producing well drilled by the U.S. firm in the basin and the sixth in the Huizhou depression, where large amounts of oil and gas are believed to be deposited.

KIM IL-SONG REPORTEDLY VISITED PRC IN DECEMBER

OW010008 Tokyo KYODO in English 0002 GMT 1 Apr 86

[Text] Tokyo, April 1 Kyodo -- North Korean President Kim Il-song visited China in December for talks with Chinese leaders, the Japanese newspaper ASAHI SHIMBUN said Tuesday.

The South Korean-U.S. joint military exercise "Team Spirit '86" and dialogue between North and South Korea were major topics of his discussion with Chinese leaders including party General Secretary Hu Yaobang, the mass circulation daily quoted an expert on international affairs as saying. In a dispatch from Beijing, ASAHI said Kim's China visit coincided with a trip to Moscow by North Korean Premier Kang Song-san, a move intended to maintain Pyongyang's "equal distance" with both China and the Soviet Union. There have been indications that North Korea has been moving closer to the Soviet Union.

Quoting a reliable Chinese source, the daily also said Beijing authorities earlier this year imposed a press blackout on the 1986 Asian games and 1988 Olympics, both to be held in Seoul. The action was taken so as not to upset North Korea, ASAHI added.

North Korea says it will boycott the 1988 Olympics if South Korea does not accept its proposal that the games be sponsored jointly by the two Koreas.

PRC Denies Report

OW010838 Tokyo KYODO in English 0833 GMT 1 Apr 86

[Text] Beijing, April 1 Kyodo -- A foreign ministry spokesman Tuesday denied a report that North Korea's President Kim Il-song had visited China for talks with communist party general Secretary Hu Yaobang at the beginning of last December. The spokesman described the report as "groundless." He added that the ministry had denied the rumors when they first surfaced in late December. East European diplomatic sources here also discounted the report.

JAPANESE COURT VERDICT ON PRC 'PROPERTY' PROTESTED

OW311844 Beijing XINHUA in English 1830 GMT 31 Mar 86

["Chinese Residents' Leader in Japan Protests Court Verdict on PRC Property" -- XINHUA headline]

[Text] Tokyo, March 31 (XINHUA) -- Chairman of the Tokyo Association of Chinese Residents Chen Kunwang said here today that the Kyoto local court's verdict on a Chinese students residence in Tokyo goes completely against the principles of the China-Japan Peace and Friendship Treaty. The Kyoto local court on February 4 adjudged the Chinese student residence named "Kokatyo" in Tokyo, a lawful property of the People's Republic of China (PRC), to the Taiwan authorities.

The student residence was at first rented by the Kyoto University from a joint venture to house overseas Chinese students there. In 1961 the residence was bought by the Taiwan authorities and registered in the name of "the Republic of China." Chen Kunwang, in an interview with XINHUA, pointed out that all properties in Japan, including the student residence, registered in the name of "the Republic of China" should automatically belong to the People's Republic of China following the establishment of diplomatic relations between Japan and China.

The local court of Kyoto, he added, flagrantly interfered in China's internal affairs and made clear its intention to create "two Chinas" in passing the verdict by claiming that the inheritance of the People's Republic of China is "incomplete" since the "Government of the Republic of China still rules Taiwan and its surrounding islands." He said the unjustifiable judgement has caused widespread indignation and concern among the Chinese residents and also Japanese friendly personages and organisations. He pointed out that Taiwan is an inalienable part of the People's Republic of China and the Government of the People's Republic of China is the sole legal government of China.

Japanese courts, too, should unexceptionally abide by the principles of the joint statement and the peace and friendship treaty signed by the two countries. He expressed the hope that Japan should realize that under no circumstances and in no form can the so-called "Republic of China" be regarded as existent, and that the authority concerned handles the student residence issue fairly and properly. It is learnt that the Chinese side is making representations to Japan through diplomatic channels.

VICE PREMIER YAO YILIN MEETS JAPANESE DELEGATION

OW311639 Beijing XINHUA in English 1448 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Chinese Vice-Premier Yao Yilin met with a delegation from Kyushu, Japan, here this afternoon at the Great Hall of the People. The delegation is led by Saburo Nagakura, president of the Economic Federation of Kyushu Yamaguchi and chairman of the West-Japan and China Cultural Exchange Association.

At the meeting, Yao answered questions about China's economic development and bilateral trade and economic cooperation between the two countries. Present at the meeting was Liu Seqing, director of China Institute of Contemporary International Relations.

The Japanese visitors arrived in Beijing March 28 as guests of the institute on a study tour of China's economy. They have exchanged views with departments concerned on strengthening exchanges between the two sides in the fields of economy, trade, culture, science, technology and education.

DPRK REJECTS SOUTH'S CALL FOR TALKS RESUMPTION

OW311728 Beijing XINHUA in English 1655 GMT 31 Mar 86

[Text] Pyongyang, March 31 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) Monday dismissed as "not worthy of consideration" South Korea's proposal for resumption of the North-South parliamentary contacts. According to the KOREAN CENTRAL NEWS AGENCY, Chon Kun-chol, head of the DPRK delegation to the North-South parliamentary talks, said in a telephone message to his South Korean counterpart, Kwong Chong-tal, that Seoul "is not entitled at all to talk about the dialogue."

South Korea last Wednesday proposed to resume the third round of North-South preliminary parliamentary talks on May 14. The talks, originally scheduled for February 18, were suspended after the South Korea-U.S. joint military exercises began. The DPRK has insisted that South Korea is responsible for breaking the North-South contacts. Pyongyang has repeatedly charged Seoul for organizing the joint military exercise with the United States, despite the DPRK urging military maneuvers on both sides be stopped.

I. 1 Apr 86

D 3

PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

"It cannot be said that to talk about the resumption of the contact sounds reasonable to anyone at a time when the 'Team Spirit 86' joint military exercises have not yet been brought to an end," Chon said.

QIAO SHI MEETS DPRK PROCURATORATE DELEGATION

OW311404 Beijing XINHUA in English 1324 MT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Qiao Shi, Political Bureau and Secretariat member of the Chinese Communist Party Central Committee, met here today a delegation from the central procurator's office of the Democratic People's Republic of Korea led by Han Sang-kyu, procurator general of the office.

Qiao told the visitors that China had done a lot to strengthen its legal system in recent years, thus having ensured smooth development of its economic restructuring and maintenance of a political situation characterised by stability and unity.

Both Qiao and Han expressed the wish to strengthen exchanges between the procuratorates and judicial workers of the two countries. Yang Yichen, procurator-general of China's Supreme People's Procuratorate, and Sin In-ha, Korean ambassador to China, were present on the occasion.

NAKASONE CAUTIOUS ON JAPAN'S SDI PARTICIPATION

OW311100 Beijing XINHUA in English 1035 GMT 31 Mar 86

[Text] Tokyo, March 31 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone has decided not to clarify Japan's position on participating in the Strategic Defense Initiative program, during his coming April meeting with U.S. President Ronald Reagan. According to reports carried in the Japanese press today, Nakasone will only express Japan's willingness to take part in the SDI program in a "tacit", or implied way, and will not spell out exactly what form his country's participation may take.

The prime minister's cautious attitude is said to result from the fact that controversy about whether Japan should play a role in the "star wars" program still exists within the Japanese Government and ruling Liberal Democratic Party.

Nakasone expressed the hope that his coming meeting with President Reagan, slated to take place April 13 and 14 will concentrate on the theme of the forthcoming Tokyo Summit Conference of the seven major industrialized countries, U.S.-Japanese economic problems and other outstanding questions that exist between the two countries.

HU YAOBANG MEETS AUSTRALIANS; HU QILI PRESENT

OW010950 Beijing XINHUA in English 0940 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Chinese party leader Hu Yaobang, in a meeting today with a visiting Australian delegation, said that he hoped for a continued expansion of trade between the two countries. Hu, general secretary of the Chinese Communist Party Central Committee, made this remark to John Charges Bannon, premier of the state of South Australia. Hu visited the state last April.

Hu was concerned about the trade between China and Australia, which amounted to over one billion U.S. dollars last year, an increase of three percent over 1984. "The increase is too small," Hu said. He is hopeful that the trade volume can be doubled during the seventh five-year period (1986-90).

Bannon hopes to establish links between his state and China's Shandong Province. The aim is to "not only develop cultural interflow between the two places, but also to expand economic cooperation between the two sides."

After the meeting, Hu and the Australian visitors took a walk along Chongnanhai lake. Present on the occasion were Hu Qili, member of the Political Bureau, and member of the Secretariat of the Chinese Communist Party Central Committee, and Ross Garnaut, Australian ambassador to China. The Australian visitors arrived here March 30 and will leave here April 2 for a visit to Shandong Province.

PHILIPPINE SECRETARY REFUTES MARCOS PRESIDENCY

OW311949 Beijing XINHUA in English 1859 GMT 31 Mar 86

[Text] Manila, March 31 (XINHUA) -- Philippine Executive Secretary Joker Arroyo here today refuted Ferdinand Marcos' allegation that he still considers himself the president. Reacting on the remarks of Marcos in Honolulu that Mrs. Aquino's government is a dictatorship and that he still considers himself the president, Arroyo said "he is still daydreaming. He has not yet waked up to the reality." He said the downfall of Marcos indicated that he had lost popular support and that he should step down. President Aquino will step down from the presidency should she lose popular support, Arroyo said.

PHILIPPINE CIVILIAN HOME DEFENSE FORCE DISMANTLED

OW312034 Beijing XINHUA in English 1837 GMT 31 Mar 86

[Text] Manila, March 31 (XINHUA) -- 40,000-strong Civilian Home Defense Force (CHDF) all over the Philippines was dismantled today on order of Executive Secretary Joker Arroyo, presidential palace sources said. The CHDF was created in the 70's by then President Marcos with an aim to help the military in the counter-insurgent movement in the villages. Later, some of its members had reportedly become private armies of political warlords. Office of the Armed Forces Chief of Staff General Fidel Ramos did not confirm the news but the appointments of all CHDF members were terminated today, the sources said.

Early last year, 58 opposition party members (now the ruling party) filed a resolution for the abolition of the CHDF at the National Assembly, but it was voted down by the then ruling New Society Movement (KBL). The resolution was revived again when the CHDF figured in the killing of Italian Priest Fr. Tullio Favali and the massacre of 21 protesters in Escalante, Negros Occidental Province.

IAEA LAUDS PAKISTAN'S USE OF NUCLEAR ENERGY

OW312040 Beijing XINHUA in English 1923 GMT 31 Mar 86

[Text] Islamabad, March 31 (XINHUA) -- Emeritus Director General of International Atomic Energy Agency (IAEA) Sigvard Eklund today lauded Pakistan's efforts and progress in the peaceful use of nuclear energy. Addressing a news conference at the airport before his departure for India, he said, "We will contribute in further development of nuclear energy in Pakistan, especially for use in power generation." He noted that in medical centers in Lahore and Peshawar a large number of patients were being diagnosed and provided with nuclear medical treatment.

Sigvard arrived in Pakistan on March 27. He visited facilities for peaceful use of nuclear energy in Pakistan, including power generation station, agricultural research institute and medical centers. He was received by President Ziaul Haq earlier today.

AFGHAN GUERRILLAS ATTACK SOVIET-KARMAL TROOPS

OW311320 Beijing XINHUA in English 1239 GMT 31 Mar 86

[Text] Islamabad, March 31 (XINHUA) -- Dozens of Soviet-Karmal troops were killed in a number of raids carried out by the Afghan guerrillas this month, AGENCY AFGHAN PRESS reported today. On March 21, guerrillas in eastern Paktia Province destroyed three long-range BM-13 guns and military installations at the Jaji front. On March 19, the guerrilla forces in eastern Paktia Province shot down a Soviet transport plane carrying ammunition for the besieged troops in Jaji district and Khost cantonment. The plane crashed near Khost town with the Soviet pilot and the crew killed on the spot.

On March 18, during a missile attack on Jalalabad airport in Ningarhar Province, the guerrillas damaged two helicopters on the runway and inflicted several casualties upon the Karmal troops. On March 17 the guerrillas in the western province of Farah ambushed a military convoy which was moving towards the provincial capital, killing six Soviet-Karmal troops and destroying one tank and one truck. On March 7, 37 Soviet-Karmal troops were killed and 26 others injured when Afghan guerrillas stormed into the subdivisional town of Chah Ab in the northern Afghan Province of Takhar bordering the Soviet Union.

Some 250 muslim guerrillas took part in the eight-hour fierce fighting, during which they captured 16 Kalashnikov automatic rifles. The remnant Soviet-Karmal troops fled towards Taloqan, the provincial capital. Ten guerrilla fighters lost their lives in the fighting.

CPC DELEGATION TO ATTEND ITALIAN CP CONGRESS

HK010716 Beijing ZHONGGUO XINWEN SHE in Chinese 1444 GMT 31 Mar 86

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- A CPC delegation headed by Qiao Shi, a member of the Political Bureau and Secretariat of the CPC Central Committee, will attend the 17th National Congress of the Italian Communist Party to be held 9 - 13 April in Florence.

This was announced by Wu Xingtang, a spokesman for the International Liaison Department of the CPC Central Committee, at a news briefing here earlier today. Wu said that the delegation will attend the congress at the invitation of the Italian Communist Party. The members of the delegation include Li Shuzheng, an alternate member of the CPC Central Committee and deputy head of the International Liaison Department, and Zhu Dacheng, head of the International Liaison Department.

At the invitation of the CPC, Wu Xingtang announced at the news briefing, a 4-member delegation of the African National Congress of South Africa led by Secretary General Alfred Nzo will arrive in Beijing today for a friendly visit to China. During their stay here, China will hold a mass rally to express the just stand of the CPC and the Chinese people in resolutely supporting the struggles of the South African people against racial discrimination and segregation and for racial equality and emancipation.

DANISH PRIME MINISTER WELCOMES PRC OPEN POLICY

OW311930 Beijing XINHUA in English 1911 GMT 31 Mar 86

[Text] Hong Kong, March 31 (XINHUA) -- Danish Prime Minister Poul Schluter said here today that he felt convinced that China will continue its open policy, and the economic reform in China will proceed as planned. After a one-week visit to China, during which he met Chinese leaders Deng Xiaoping and Zhao Ziyang, Schluter made a short stopover here. He told a press conference that the Chinese leaders stressed that the reforms, though with minor problems, will go on. He added that this is a positive sign for countries all over the world.

Schluter said that the trade volume between Denmark and China has increased tenfold since 1978. The business delegations with him on his visit wanted to develop contacts with China's mainland and Hong Kong. He said a number of young Chinese are working in Denmark as trainees. His delegation invited Chinese provincial representatives to visit Denmark. Danish businessmen have confidence in Hong Kong's future, and in the coming decade Hong Kong will no doubt play an important role in linking the mainland with other parts of the world, the prime minister added. Schluter was to leave for home tonight.

CUI YUELI HOSTS BANQUET FOR FINNISH MINISTER

OW311646 Beijing XINHUA in English 1519 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Finnish Minister of Social Affairs and Health Eeva Kuuskoski-Vikatmaa and her party were honored at a banquet given by Cui Yueli, Chinese minister of public health, here tonight at the State Guest House. Both the two ministers hoped for an increase of friendly exchange and cooperation in areas of common interests between medical circles of the two countries. This morning Cui Yueli met the Finnish guests and briefed them on China's on-going reform of medical service, China's medical system, medical education and research as well as the traditional Chinese medicine.

YANG DEZHI MEETS NETHERLANDS NAVY COMMANDER

OW311204 Beijing XINHUA in English 1154 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, met the commander-in-chief of the Royal Netherlands Navy, Vice-Admiral C.H.E. Brainich and his party here today. He briefed the visitors on the building of the Chinese Army. He and Brainich also exchanged views on the strengthening of friendly relations between the two armies. Chinese Navy Commander Lie Huaqing was present on the occasion.

FRG-GDR JOINT CONTRIBUTION TO ARMS TALKS URGED

OW010322 Beijing XINHUA in English 0240 GMT 1 Apr 86

[Text] Bonn, March 31 (XINHUA) -- Federal German Foreign Minister Hans-Dietrich Genscher has called for joint contributions by the two Germanies to future disarmament talks. In an article issued by the Foreign Ministry today, Genscher said the two Germanies were more concerned than any other country about the prevention of war in Europe, including a conventional war. He said the two countries should cooperate as closely as possible to work out a joint proposal in the Vienna follow-up conference on European security and cooperation in November.

On the road mapped out by the European security conference the two Germanies should actively cooperate instead of confrontation, he stressed. The security of each country should be equal, he said, and only by cutting conventional and chemical weapons and destroying nuclear arms at the same time can greater stability be brought about, Genscher said.

THATCHER SUGGESTED AS NUCLEAR TEST BAN MEDIATOR

OW311828 Beijing XINHUA in English 1615 GMT 31 Mar 86

[Text] London, March 31 (XINHUA) -- David Owen, leader of Britain's opposition Social Democratic Party (SDP), has urged the Prime Minister Margaret Thatcher to act as an honest broker between the Soviet Union and the United States in order to get an agreement on a comprehensive nuclear test ban treaty. According to today's TIMES newspaper, Owen said yesterday the conservative prime minister should write privately to the leaders of the Soviet Union and the United States suggesting a resumption of trilateral talks.

Owen's remarks came after U.S. President Ronald Reagan's immediate rejection of Soviet leader Mikhail Gorbachev's weekend proposal to meet in any European capital to negotiate such a ban. "After all, a comprehensive test ban treaty is the only negotiation where Britain is directly involved with the Soviet Union and the United States," he said. Owen said, "The danger is that if nothing is done to bridge the gap between Gorbachev and Reagan the spirit of the fireside chat of the U.S.-Soviet summit in November will go up in smoke." Owen, who was foreign secretary from 1977-1979, said President Reagan was wrong to dismiss Gorbachev's latest offer of summit talks.

WAN LI MEETS ROMANIAN DEPUTY PRIME MINISTER

OW290754 Beijing XINHUA in English 0742 GMT 29 Mar 86

[Text] Beijing, March 29 (XINHUA) -- Vice-Premier Wan Li met Ion Dinca, first deputy prime minister of Romania, here today to exchange views on economic cooperation and trade between the two countries. During the meeting, Wan said that China and Romania as well as the communist parties of the two countries have maintained sound relations.

"China is willing to develop trade with Romania on the basis of equality and mutual benefit and in the spirit of mutual understanding and accommodation," he added. Dinca expressed satisfaction with the development of trade between the two countries since they signed a long-term trade agreement during Romanian President Nicolae Ceausescu's visit to China last October. He hoped that the two countries will make further efforts to boost their trade. They also briefed each other on the economic development of their respective country.

Wan gave a luncheon for Dinca and his party after the meeting. Dinca and his party arrived here yesterday after visiting the Democratic People's Republic of Korea. They will leave here tomorrow for home.

SFRY OFFICIAL ON SUPERPOWERS IN MEDITERRANEAN

OW010203 Beijing XINHUA in English 0149 GMT 1 Apr 86

[Text] Damascus, March 31 (XINHUA) -- "Yugoslavia will not allow the military presence of any big power in the Mediterranean nor any military action in the region, which may jeopardize the security of the Mediterranean countries," declared Dimce Belovski, secretary of the presidium of the Central Committee of the League of the Communists of Yugoslavia (LCY), here today. The LCY secretary made the remark to newsmen upon his arrival at the Damascus airport at the head of a LCY delegation on an official visit at the invitation of the Syrian Arab Ba'th Socialist Party.

Referring to the situation in the Mediterranean, he said that "Yugoslavia is firmly opposed to solving disputes by force and retaliation" in the region. He said that Yugoslavia and Syria have friendly relations and they are now working for social progress, the development of international relations and the promotion of the non-aligned movement.

During the visit, the delegation will hold talks with the Arab Ba'th Socialist party and leading members of the Syrian Government on bilateral relations between the two countries and the international situation.

MOROCCAN PARLIAMENTARIANS ARRIVE FOR VISIT

NPC Welcome Banquet

OW311925 Beijing XINHUA in English 1851 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Leaders of the Chinese National People's Congress and the Moroccan Parliament agreed here today to strengthen ties between the two countries. Speaking at a banquet welcoming a delegation from the Moroccan Chamber of Representatives led by President Ahmed Osman, Zhou Gucheng, vice-chairman of China's National People's Congress Standing Committee, spoke highly of Morocco's domestic achievements and foreign policy.

He said that Morocco supports the just struggles of the peoples of Palestine and southern Africa, and has contributed to the unity of the Arab and Islamic countries, safeguarding the national rights of the Palestinian people and supporting a just and peaceful solution of the Middle East question. He reiterated that the Chinese people are willing to work together with peoples of other countries for easing world tension, maintaining world peace and achieving common prosperity. He expressed the belief that the visit of the delegation will play an important role in futhering relations between the two countries, the peoples of which have maintained traditional friendship.

Osman said that Morocco and China, though separated by a long distance, have been strengthening their ties all the time. Their cooperation in various fields is exemplary. He told his hosts that Morocco is willing to contribute to world peace and stability as well as to people's happiness. He praised China for its consistent efforts in supporting the African people in their struggle against racial discrimination, opposing exploitation of the resources of the Third World, supporting South-South cooperation, and relaxing world tension.

The delegation arrived here today for a friendship visit at the invitation of China's National People's Congress Standing Committee.

Meet With Peng Zhen

OW011104 Beijing XINHUA in English 1046 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Peng Zhen, chairman of the National People's Congress (NPC) Standing Committee, today described the economic reform as the key to China's development: "It is imperative to carry out the reform in order to build socialism with Chinese characteristics."

These remarks were made at a meeting with the visiting Moroccan parliament delegation headed by President Ahmed Osman in the Great Hall of the People.

Peng called the reform a revolution and a historical trend in China's socialist economic development. It enjoys support from the great majority of the Chinese people, he said. Without such a reform, he stressed, it is impossible for China to bring into full play the superiorities of its socialist system and speed up its socialist modernization. As the reform is a hard and complicated task, Peng said, difficulties and problems in China's development can only be resolved in the spirit of seeking truth from facts. He said the party and the nation are confident they will solve these problems and keep the reform moving forward.

Briefing the guests on the on-going session of the National People's Congress, he said the draft for the Seventh Five-year Plan made by Premier Zhao Ziyang stressed the development of the economy, social development, and construction of a material and spiritual civilization. Opening to the outside world is part of the reform, he added.

Osman said Morocco is very concerned about China's on-going economic reform and open policy, believing China will overcome all difficulties and problems in its reform.

Speaking of bilateral relations, Peng said China and Morocco are friendly countries which have no conflict of interests but share desires in safeguarding world peace, developing their economies and improving the living standards of their peoples. Peng said the two countries should meet each other's needs and learn from each other's strong points so as to further their cooperation in all fields.

Osman agreed that the two countries have identical views on bilateral relations and issues of international importance. Morocco hopes to expand its exchange with China and economic cooperation in particular.

Peng was assisted at the meeting by Zhou Gucheng, Wang Hanbin and Song Chengzhi, vice-chairman, secretary-general and member of the NPC Standing Committee.

This morning Zhou Gucheng and Osman held talks. They briefed each other on their respective parliamentary work, the political and economic situation and the foreign policies of their countries.

On behalf of the NPC Standing Committee, Zhou invited Osman and his party to visit the NPC session tomorrow morning.

Talk With Yao Yilin

OW011152 Beijing XINHUA in English 1148 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Vice-Premier Yao Yilin met a delegation from the Moroccan chamber of representatives led by President Ahmed Osman, here today. Yao said China and Morocco are friendly countries, hoping that their friendly, cooperative relations will continue to expand.

Osman noted that the visit by his delegation is the continuation of the contacts between the two governments. His parliament supports any efforts and plan aimed to strengthen cooperation with China, he added. They also exchanged views on the prospects of bilateral economic cooperation and trade.

XI ZHONGXUN ADDRESSES CPC BANQUET FOR ANC GROUP

OW311632 Beijing XINHUA in English 1559 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- A senior Communist Party of China (CPC) official reiterated China's support for the black people of South Africa in their struggle against racism, at a banquet welcoming a delegation from the African National Congress (ANC) of South Africa here today.

The delegation led by Alfred Nzo, general secretary of the ANC, arrived here today at the invitation of the CPC.

Speaking at the banquet, Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, said that the black people in South Africa, who have further awakened, are attacking South Africa's racist system forcefully despite violent suppression by the apartheid regime. He said that their struggle has won sympathy and support from the colored people of South Africa and quite a number of white people, and the international community as a whole. "This has bogged the South African racist regime down in an unprecedented dilemma," he added.

He said that China has always sympathized with and supported the struggle of the ANC against apartheid and racial discrimination, and for basic human rights and racial equality.

He condemned the atrocious apartheid policies of the South African authorities, their cruel suppression of the South African people, their invasion and harassment of neighboring countries, and their obstruction of the independence of Namibia. He expressed the belief that the visit by General Secretary Nzo will promote the mutual understanding, trust and friendship between the CPC and ANC.

In his reply, Nzo said that the racist regime of South Africa is now getting into an unprecedented crisis. He said that conditions are now becoming ripe for the victory of the South African people, with the growth of international solidarity movements supporting them.

Zhu Liang, head of the International Liaison Department of CPC Central Committee, was among those attending the banquet.

During its stay here, the delegation is expected to exchange views with CPC officials on the situation in southern Africa, as well as on other issues of common concern.

A solidarity rally is also planned to express the support of the CPC and the Chinese people for the South African people's struggle against racial discrimination and apartheid, and for racial equality and emancipation.

STATE COUNCIL REGULATIONS ON LATERAL ECONOMIC TIES

OW310818 Beijing XINHUA Domestic Service in Chinese 0750 GMT 23 Mar 86

[State Council Regulations Governing Several Questions on Further Promoting Lateral Economic Ties (promulgated on 23 March 1986)]

[Text] Beijing, 23 Mar (XINHUA) -- Following the implementation of the policy of enlivening the domestic economy and opening to the outside world since the 3d Plenary Session of the 11th CPC Central Committee, regions and departments started to remove divisive barriers, and all types of lateral economic ties have been developing rapidly in production, distribution, science, and technology spheres. On the basis of delegating enterprises greater decision-making authority, various types of lateral economic ties have appeared between enterprises. This new development in our country's economic life has already demonstrated its great superiority and powerful vitality.

An important part of economic reform, lateral economic ties are essential for developing social productivity. They have enhanced the development of resources and the rational use of capital, promoted the circulation of commodities and the formation of a centralized socialist market, expedited technological development and the rational flow of personnel, and accelerated the rationalization of the economic structure and regional distribution. Lateral economic ties, which are an objective requirement for developing the socialist commodity economy, an inevitable course toward large-scale socialized production, and a powerful rebuff to the barriers between departments and regions, are of far-reaching significance in expediting the restructuring of the entire economic system as well as socialist modernization.

To further promote the healthy development of lateral economic ties, the following regulations are hereby prescribed for the relevant issues.

Principles and Objectives of Lateral Economic Ties

1. Associations between enterprises are the basic form of lateral economic ties and the focal point of development. On the basis of voluntary participation, and guided by the principles of "diversity, reciprocity, common growth, and making the best use of the advantages and bypassing the disadvantages," lateral economic ties between enterprises should not be restricted by regional, departmental, and professional differences, or by differences in ownership. Positive efforts should be made to promote ties between production of raw and semifinished materials and processing enterprises, between production enterprises and research units (including universities and colleges), between civilian and military enterprises, and between industrial, agricultural, commercial, and trading enterprises, as well as joint operations among railway, highway, shipping, and civil aviation enterprises. The ties in these areas may be cooperation between specialized departments or cooperation in terms of personnel, resources, capital, technical expertise, and procurement and marketing of commodities. By means of lateral economic ties between enterprises, a new type of economic association and a number of conglomerates or enterprise groups should be established.

2. Preferably, economic ties between enterprises should be organized in a way that large and medium-sized enterprises are the mainstay, and that quality brand-name goods should be the lead products. The ties can be closely, semiclosely, or loosely organized. They may take the form of joint venture, cooperative production, processing on order, or various alternatives. All types of economic ties should be based on contracts or agreements.

3. The development of economic ties should be centered around the following objectives and requirements: 1) They should be conducive to fully tapping enterprises' potentials so that they can increase the output of quality goods, achieve quick technological progress, and yield high economic returns with limited investment; 2) they should be conducive to expediting the rationalization of enterprises' organizational structure, production structure, and regional distribution; 3) they should be conducive to the formation and development of the commodity market, the money market and the technological market; 4) they should be conducive to removing regional and departmental barriers, separating responsibilities between government and enterprises, streamlining administration, delegating enterprises greater decision-making power, and separating ownership and the rights of operation.

4. Developing lateral economic ties is an important strategic managerial decision for enterprises. It is necessary to study the feasibility of forming lateral economic associations in light of the requirements of the country's macroeconomic development. It is necessary to pay attention to their economic and technological appropriateness. One must not rush headlong into action.

Safeguard Enterprises' Decision-making Power in Forming Lateral Economic Associations

5. It is necessary to safeguard the decision-making power of enterprises in forming lateral economic associations and to allow enterprises to form or withdraw from such associations on a voluntary basis. An association's structure and its management mode should be decided by the parties through consultation.

6. Relevant departments under the State Council and governments at all levels should further implement the State Council regulations governing the expansion of the enterprise's decision-making power, actively push and guide enterprises to develop all kinds of economic associations, especially those that cross the regional, departmental, and trade boundaries. They should not try to interfere in their own departmental interests. It is necessary to guard against the previous practice of using administrative measures to lump groups together that are economic associations only in name. It is necessary to seriously study the various malpractices in management that appear in economic association and some of the policies and regulations that hamper economic association. It is necessary to take active measures to stop the malpractices and readjust or reform policies and regulations.

7. A lateral economic association formed by enterprises is an enterprise in nature. It should not become an administrative body. Adding an administrative corporation on top of the economic association or changing the name of an existing administrative corporation and calling it economic association is not allowed. Administrative corporations are not allowed to interfere in the economic association of enterprises.

Improved Planned Management and Statistical Methods

8. In developing lateral economic ties, it is necessary to avoid acting blindly. It is necessary to encourage joint efforts in developing energy resources, increasing the production of raw and semifinished materials, and comprehensively using natural resources. It is necessary to encourage joint endeavors to develop communications and to increase the production of market goods in short supply. It is particularly necessary to encourage industry and agriculture to cooperate with commerce and increase the production of goods for export and import substitution, thereby creating and saving more foreign exchange for the state. At the same time, it is necessary to restrict the production of goods in excessive supply and the development of products that are technologically backward, qualitatively inferior, and which require large expenditures.

9. Developing lateral economic ties is an important path to controlling the scale of investment in fixed assets, improving the investment structure, and raising investment returns. There is no need to start a new project if a certain demand can be satisfied in quantity, quality, and variety through the establishment of lateral economic association. Priority should be given to cooperation projects undertaken by enterprises to carry out technological transformation through technology import or otherwise that will bring quick returns with minimum investment.

10. The state, departments, and regions should reserve a portion of the investment in fixed assets approved by the state for enterprises' use in developing energy resources, communications, and raw and semifinished materials in cooperation with each other. Capital construction and technological transformation projects jointly undertaken by enterprises should go through a review and approval process as required by the state. When enterprises or units invest their existing factory buildings, equipment, technology, patent rights, and trademarks in the economic association at market prices, the invested amount will not be counted toward the approved total investment.

11. Enterprises forming lateral economic associations must ensure the fulfillment of the state mandatory plans and strictly abide by their contracts. The responsible department or the regional authorities may assign mandatory production tasks to the economic association through member enterprises, using the existing channels of communication. They may also do so by informing the association directly. The quotas of materials to be distributed to the association under the unified distribution plan shall be relayed along with production or construction plans. Production or construction tasks and the distributed materials are transferrable within the association.

12. All economic and technical information regarding economic associations' production, construction, labor, materials, financial affairs, and costs are subject to computation by the state either as statistics of associations subjected to centralized accounting, or as statistics of basic-level enterprises authorized to conduct independent accounting. These economic associations should collect the statistics of their affiliated enterprises and report them to their responsible departments and local statistical departments to be used as statistics of "localities where these associations are located" or "localities to which these associations belong." Statistical departments should analyze the statistics of these economic associations' economic activities and should compile the relevant information at regular intervals.

Promote Lateral Circulation of Commodities

13. Departments in charge of materials management should promote lateral economic ties. All localities should gradually broaden and develop the market of production materials, and central cities should sponsor materials trade centers and encourage production, materials, commercial, and foreign trade enterprises to take part in their activities so as to promote cooperation in materials trade and enliven materials circulation. Units providing storage, transportation, and loading and unloading services should also strive to socialize their operation and operate like enterprises through carrying out lateral economic ties so as to improve their operation and achieve better economic returns.

14. Enterprises may market the additional products produced through carrying out lateral economic ties, with the exception of those specially prescribed by state regulations, as long as those products are not produced with state investment or raw and semifinished materials provided by the state according to plan. Materials departments should not reduce the enterprises' supply of energy and raw and semifinished materials on the basis that these enterprises have acquired additional goods and conserved energy and raw and semifinished materials through carrying out economic ties.

When the production of goods with high energy consumption has been relocated to energy-rich areas, energy supply for the original areas should not be reduced.

15. With regard to raw and semifinished materials subject to state distribution produced by enterprises of these economic associations for their own consumption, the responsible departments or the regions where these enterprises are located should reassess the supply of these materials. After the materials ordering departments have made overall arrangements, the materials may be directly allocated among the enterprises. In case the quantity of materials needed by economic corporation is huge, departments concerned should make overall planning and incorporate them into transport plan.

Strengthen Integration of Production and Science and Technology

16. Effective measures should be adopted to promote close integration of production and science and technology, and association between production enterprises and research units. This association may be sponsored by research units with production enterprises as partners; it may also be sponsored by production enterprises with research units as partners. In both cases they should have active and positive support from the responsible departments.

17. To expand their capacity for technological development, economic associations may recruit research units as research organs to serve their technological development. These research units should also be permitted to serve other enterprises and units. As members of the associations, research units should continue to enjoy preferential tax treatment as independent research units, and their operations budgets will not be affected.

18. Active support should be given to production enterprises and research units in carrying out intermediate experiments. Responsible departments should make arrangements in their plans, and banks should draw up incentive credit measures. Those who have difficulty paying taxes may apply to departments for tax deductions or exemptions.

19. Technical achievements accomplished with economic associations' investment belong to the associations and will be enjoyed by their members. Achievements accomplished by individual members belong to them. Achievements accomplished through the mutual commission of partners belong to the investors and the technology developers. The distribution of benefits should be clearly set forth in contracts or agreements according terms governing financial and intellectual investment.

Promoting Lateral Circulation of Capital

20. In accordance with regulations governing the division of services and the opening of bank accounts, all specialized banks should accept the accounts of economic associations which have registered with industrial and commercial administrative departments.

21. Within the limits of investment in fixed assets and the limits of credit stipulated by the state, specialized banks may extend loans to economic associations of all trades and in all regions. Specialized banks of different trades and in different regions may also organize themselves into bank groups to provide credit services. The banks' decision-making authority in this regard should not be violated. Economic associations, or enterprises and units taking part in various forms of cooperation, may invest their bank loans for fixed asset investment on fixed assets among themselves. Economic associations may extend the circulating funds they have borrowed from banks in a collective manner.

Member enterprises of an association may borrow money individually and extend it, and the enterprise which borrows the money shall be responsible for repaying it. However, the money may not be invested in fixed assets or shared as profits.

22. All specialized banks and other banking organs may support economic association by means of various types of credits. The holder of a commercial bill signed by an economic association, after having been endorsed by a paying enterprise or a bank, may apply for a discount payment from any banking facility in any region.

23. In accordance with the relevant regulations of the People's Bank of China and after having been approved, an economic association may issue bonds to its staff members as well as people in society through banks and other banking facilities.

Readjusting Taxation Measures

24. Double taxation on the economic associations must be avoided. Goods exchanged between members of an economic association subject to centralized accounting and produced through cooperation among the members are tax-free. While goods marketed outside the association should be taxed, tax rates should be computed according to the percentage of the taxes various units paid prior to their cooperation in external sales. Except for such high tax products as cigarettes, wines, and cosmetics, value-added taxes may be collected from products produced by economic associations not subject to centralized accounting. Measures for collecting the value-added tax will be tentatively drawn up by departments concerned of taxation bureaus of various provinces, autonomous regions, municipalities directly under the central government, and selected cities, and reported to the General Taxation Bureau of the Ministry of Finance for the record. Taxes may be deducted or exempted for goods produced through cooperation, from which the value-added tax cannot be collected, according to the regulations of the General Taxation Bureau.

25. When an economic association repays, by installments, the capital and equipment of a client with products by means of compensatory trade, it should, upon handing over the products, pay a product tax (value-added tax) and a resource tax locally on the basis of the revenue from actual sales.

26. Economic associations and enterprises participating in all types of association should pay product tax (value-added tax) and business tax locally according to law. The partners of the association then, in accordance with the principle "distribution first, tax second," should distribute profits according to their agreement, and pay their income tax locally. State-owned enterprises need not pay a regulatory tax for their profits acquired from economic association, but they must continue to pay regulatory tax on their other profits.

27. Income taxes on profits earned by enterprises or units as a result of their investment in the energy and communications sectors and in the old revolutionary base areas, minority regions, border regions, and poverty-stricken areas may be reduced by half for 5 years. Income taxes may be exempted entirely if the investing enterprises or units reinvest the profits earned from their joint undertaking in the sectors or areas mentioned above. Product taxes on additional electricity generated by power plants (excluding diesel power plants) set up by enterprises or units with joint investment may be exempt for a given period. The product tax (value-added tax) on new products developed by economic associations may be reduced or exempted in accordance with the relevant tax regulations. The reduced or exempted amount of tax shall be used solely for technological development.

Income taxes on revenues received by enterprises from technology transfer may be exempted for the time being, provided that the revenues are less than 300,000 yuan for the whole year. Income taxes shall be paid on the portion of revenue exceeding 300,000 yuan in accordance with the law.

Safeguard the Legitimate Rights of Economic Associations

28. Economic associations shall register with the industry and commerce administration in accordance with the relevant regulations once they are approved by the authorized local government department. Economic associations must observe state law and the relevant policies and regulations. Their legitimate rights and interests, such as capital, interest, profit, products, and retained foreign exchange, shall be protected by state law.

29. The charter of an economic association is its fundamental code. It shall be drawn up by participating units and equally observed by them. The charter shall specifically stipulate the rights and obligations of each party, the distribution of benefits and the assumption of risks, the procedures for joining the association and for withdrawing from it, the formation of its leading body, and the terms of the leading personnel.

30. If a party to the association does not abide by the charter and does not carry out the contract or agreement accordingly, or if disputes arise in implementing the contract or agreement, the responsible local department shall help resolve the disputes if they involve administrative and managerial matters. If the responsible local department cannot resolve the disputes, they should be resolved by the relevant provincial departments if the parties are from the same province, or by the relevant departments of the State Council if the parties are from different provinces or sectors. The disputes may be arbitrated by the State Industry and Commerce Administration if they are related to an economic contract. They may also be brought to the court for legal action.

These regulations will take effect upon their promulgation. Provinces, autonomous regions, municipalities, and special economic districts may draw up specific implementation measures on the basis of these regulations.

PLANT DIRECTOR RESPONSIBILITY SYSTEM CONSIDERED

HK281315 Beijing RENMIN RIBAO in Chinese 17 Mar 86 p 5

[Article by Xiao Liang: "Implementing the Plant Director Responsibility System Is a Major Reform in the Leadership System of Enterprises"]

[Text] China's industrial and communications departments are now implementing the plant director responsibility system step by step under guidance. It may be appropriate to say something about the necessity of implementing the system at this time.

The Plant Director Responsibility System Was Formulated After Summing Up Our Past Experiences and Lessons

Since the founding of the PRC, many types of leadership systems have been practiced in China's enterprises. The earliest one was the system of plant administrative committee and the workers' representative assembly. Being the unified leading administrative organ in an enterprise, the administrative committee, with the plant director as its chairman, had to discuss and decide all major problems concerning the enterprise's production and management, and its decisions were promulgated and put into effect in the form of an order of the plant director (or manager).

Later, a "system of one-man leadership," or the plant director responsibility system, was adopted by the state-owned enterprises in some areas, under which the plant director was the supreme authority in charge of enterprise activities. He was responsible for the production and management of his enterprise. These two systems played a positive role in rehabilitating and developing our national economy and in our socialist construction. Of course, they also had some defects. However, after the "leftist" guiding ideology gained ground, the "system of one-man leadership" was inappropriately held to be negating the party leadership.

For this reason, since 1956, the system of responsibility of plant director under the leadership of the party committee has been widely adopted by enterprises throughout the country. Once in this period, a system of unified leadership of the revolutionary committee was also adopted. Since the system of responsibility of plant director under the leadership of the party committee has been practiced for a long time, it has the greatest influence on cadres. This system also played a good role under specific conditions in the past. Now when we look back into that period, we find that we had no other choice at that time but to adopt this system.

However, through past practices, especially since the 3d Plenary Session of the 11th CPC Central Committee, as a result of mental emancipation, many comrades have gradually found that this system has the following defects: 1) as the party's political leadership is mixed with, and regarded as a part of, the administrative organ, it naturally leads to the phenomena of making no distinction between party leadership and enterprise administration and substituting the former for the latter; 2) although in name the plant director is responsible for routine work under the collective leadership of the party committee, in fact everything has to be decided by the secretary of the party committee personally. As a result, nobody is nor can possibly be, really responsible for the enterprise's administrative work, the decisions of the enterprise are usually made slowly, and efficiency is low; 3) as a result of the party monopoly for administrative affairs, the trend of the party not running party business is widely prevalent in enterprises, thus weakening the party's ideological and political work and party building. In the final analysis, these defects, which are difficult to avoid under the system of plant director responsibility under the leadership of the party committee, have made enterprises unable to suit the needs of modern production. Along with the smooth progress of economic structural reform in our country, it is also imperative to carry out a reform of this system.

In order to reform this leadership system, as early as in 1980, not long after the 3d Plenary Session of the 11th CPC Central Committee, a central leading comrade proposed that the system of plant director responsibility under the leadership of the party committee be replaced by the plant director responsibility system placing the party committee in a position of guarantor and supervisor in the enterprise. However, under the influence of traditional habit, some comrades misconceived it as an attempt to weaken party leadership in the enterprises and found it difficult to accept. Thus, an interim measure was adopted a few years ago, combining "the collective leadership of the party committee, the democratic management of the workers, and the administrative command of the plant director" and separating the plant director's power in commanding production and management from the leadership of the party committee. Meanwhile, experiments have been made in an active manner to substitute the system of responsibility of the plant director under the leadership of the party committee with the plant director responsibility system (various experiments were also carried out on other systems, such as the system of plant director responsibility under the leadership of the plant management committee and the system of plant director responsibility under the leadership of the workers' representative assembly, in order to compare them).

Now, through the experiments and impelled by reform of the economic structure, more and more people have accepted the plant director responsibility system.

Even in those units where no experiments have been made, marked progress has also been achieved in separating party leadership and enterprise administration. People have already seen that in all those enterprises which have realized centralized and unified command in production and management and which have selected, through consolidation, entrepreneurs adept at blazing new trails as their plant directors and managers, labor discipline has been enhanced, management improved, and both the labor productivity and economic returns increased. It was under such circumstances that the "decision of the CPC Central Committee on reform of the economic structure," adopted by the 3d Plenary Session of the 12th CPC Central Committee, clearly proposed the implementation of the plant director responsibility system. This was not just necessary but imperative. It is appropriate to say that this system was formulated in light of China's current situation on the basis of summing up our experiences and lessons in many past years and after long-term deliberations and consultations. Therefore, the implementation of this system will certainly become an important content in reform of the entire economic structure in the cities and an important link in reinforcing the vitality of enterprises.

The Plant Director Responsibility System Conforms to the Needs of Modern Production

The purpose of replacing the system of plant director responsibility under the leadership of the party committee with the plant director responsibility system is to overcome the defects of the original leadership systems, enhance the centralized and unified leadership power of the plant director, enhance the sense of organization and discipline in the enterprises, and raise labor efficiency, so as to suit the needs of modern production and the development of the socialist commodity economy. Just as the "decision" points out: "Modern enterprises have a minute division of labor, a high degree of continuity in production, strict technological requirements, and complex relations of cooperation. It is therefore necessary to establish a unified, authoritative and highly efficient system to direct production and conduct operations and management. This calls for a system with the plant director (or manager) assuming full responsibility. "But for a long time we did not have a clear understanding of this. This perhaps has something to do with the fact that China was originally a country in which small producers occupied a dominant position and that many comrades have scant knowledge of modern production. Therefore, while implementing the plant director responsibility system, we must tell our cadres and workers: In order to raise labor efficiency and ensure the unified command in production and operation, it is necessary to implement this system.

Judging from the situation in many experimental units, the plant director responsibility system has many advantages: 1) It can help harmonize relations between the party committee, the plant director in charge of administrative affairs, the workers' representative assembly, and the trade union within the enterprise and draw a clear line of demarcation between their obligations and power so that they can better discharge the obligations of their specific posts and do a better job in various fields. 2) As unified leadership over production, operation, and management has been realized, with the plant director assuming full responsibility, and the responsibility system has been implemented in the leading body, production has been directed in a more flexible way and decisions have been made more quickly, resulting in the increase of both work efficiency and economic returns. 3) The CPC committees of the enterprises, which have been freed from merely grasping routine work, are able to concentrate their strength on implementing the party's line, policies, and principles, and on strengthening party building and ideological and political work. 4) By practicing the plant director responsibility system and reorganizing leading bodies at various levels, conditions have been created for further streamlining the administrative structure, using talented people capable of blazing new trails, and training a contingent of new-type enterprise administrative cadres.

All this has helped improve the quality of enterprises and enhanced their vitality. Judging from a long-term point of view, the practice of the plant director's responsibility system is of far-reaching significance in quickening the pace of reform in enterprises and blazing a new trail to establish a system of Chinese-style socialist enterprise administration.

Efforts Should Be Made To Do a Good Job in Ideological and Political Work and To Strengthen Democratic Management While Adopting the Plant Director Responsibility System

The purpose of adopting the plant director responsibility system is to enable the plant director to exercise unified control over enterprise production and management. It is aimed at improving, rather than weakening, party leadership. In the enterprises, party leadership is not expressed by issuing orders to the masses or directly guiding administrative work at various levels through party organizations, but by using the exemplary role of the party members to influence and educate the masses. The main task for the party organizations in enterprises is to ensure and supervise the implementation of various policies and principles of the party and the state, to strengthen the party ideologically and organizationally in the enterprises, and to carry out ideological and political work among staff and workers. Comrade Deng Xiaoping has made many remarks on this question. He said: "The CPC committee of a factory should ensure the fulfillment of production plans in terms of quantity, quality, and costs of its products; ensure the adoption of advanced technology and administrative methods and the management in a democratic way; ensure that all administrative personnel have the power to work efficiently and with good discipline; ensure that all staff and workers enjoy democratic rights and reasonable conditions for their work, life, and study; and ensure that all outstanding and competent people, either party members or non-party members, will be trained, selected, and promoted and that their roles be brought into full play. If all this is ensured, party leadership is efficient and competent." ("Selected Works of Deng Xiaoping," p 235) Thus, to give play to the role of guarantee and supervision is a way to strengthen and improve party leadership, and to take over everything, to substitute party leadership for enterprise administration, and to mix up the two are actually acts to weaken party leadership in the enterprises.

While implementing the plant director responsibility system, it is also necessary to perfect the system of the workers' representative assembly and the system of democratic management in the enterprises. Of course, in implementing the plant director responsibility system, it is necessary to enhance the prestige of the plant director and give full play to his role. However, the plant director must also pay attention to relying on the party and the masses in his work and conscientiously accept the latter's supervision. On major problems concerning the operation and management of the enterprise, the plant director has the duty to report to the party organization and the workers' representative assembly and listen to their opinions. Under the socialist system, the masses of workers are the masters of the country and the enterprises. This should also be reflected by the leadership system of our enterprises, that is, by the system of the workers' representative assembly and the system of democratic management. The workers' representative assembly is an organization for the workers to exercise their right in democratic management. Strengthening democratic management does not contradict the plant director responsibility system. On the contrary, they supplement each other. In many enterprises where the plant director responsibility system has been adopted, in order to strengthen democratic management, a method of combining the workers' representative assembly with certain trade union organizations has been tried, according to which some trade union organizations have taken charge of the routine work of the workers' representative assembly. Thus, a system of democratic management, with the workers' representative assembly as the basic form and the trade union organization as the main body, and with responsibility combined with authority, has been established in these enterprises. This method should be affirmed.

The Plant Director Responsibility System Should Be Gradually Perfected in Practice

Every system needs to be further perfected after it is established, and the plant director responsibility system is no exception. This is because it has only been a short while since we began to adopt this system; there will certainly be some problems which need to be resolved through our practice, and because the plant director responsibility system is only a basic system of the entire leadership system, which needs to be supplemented and coordinated by a series of other systems. All these systems have yet to be gradually established and perfected in our practice. Particularly, since China is a large country, and the situation of various enterprises varies in thousands of ways, the problems they have encountered in implementing the plant director responsibility system will also vary from place to place. Thus, it is necessary to proceed from reality. According to the experiences of some enterprises both at home and abroad, since modern production is very complicated and the market situation is intricate and volatile, a plant director or a manager, however capable he may be, is unable to know everything and be an expert in every field.

Thus, it is very necessary to establish an advisory or consultative organization, such as a brain trust, as it is often called, after the plant director or manager becomes the policymaker and director in production, operation, and administration, to ensure correct policy decisions and to combine the personal ideas of the factory leader with collective wisdom. Organizations set up for this purpose may be different from enterprise to enterprise, and there are also a series of problems to study how to establish such organizations. Moreover, after adopting the plant director responsibility system, other problems, such as the necessity to set a tenure of office for the plant director, to establish a system of rewards and punishments, and so forth, also need to be further discussed and solved. The purpose of studying these problems is to further perfect the plant director responsibility system and give fuller play to its role, rather than taking the road back. On the question of leadership system of the enterprises, to persist in the reform means to firmly carry out the plant director responsibility system.

TRADE UNION PARTICIPATION IN GOVERNMENT EXPLORED

HK300830 Beijing GONGREN RIBAO in Chinese 27 Feb 86 p 4

[Article by Tong Chengmin: "A Discussion on Questions Concerning Urban Trade Unions Participating In and Discussing Government Administration"]

[Text] The restructuring of the whole national economy with an urban focus is being conducted on a wide scale. This has not only set new demands, but also given an unprecedentedly good opportunity to the workers movement and trade unions. Here I would like to discuss my views on the questions concerning urban trade unions participating in and discussing government administration.

1. Why Should Trade Unions Participate In and Discuss Government Administration?

First, from the viewpoint of the theory concerning trade unions, the practice of trade unions participating in the discussing government administration is an important component of Marxist trade union theory. A hundred years or more ago, when dealing with the future nature, role, and functions of the trade unions at the early stage of the workers movement, Marx said: "Trade unions, no matter what their objective at the most preliminary stage was, must now learn to willingly carry out their activities as the center of the working class organization and regard the thorough emancipation of the working class as their own great mission. They must support all social and political movements in this connection."

They must "demonstrate in concrete deeds that they represent the working class as a whole and fight for its interests." In other words, as the representative of the working class, trade unions must participate in all social and political activities so that they can bring the role of the working class into better play and safeguard its interests.

Following the victories of the October revolution, in his article entitled "The Role and Function of Trade Unions," Lenin pointed out: The relationship between trade unions and the government of the proletarian state is that all the Soviet government's "political and economic activities are guided by the class-conscious vanguard of the working class -- the Communist Party. Trade unions must collaborate closely and constantly with the government." Lenin also formulated four tasks for the trade unions' role in government activities: trade unions should help staff business and administrative bodies connected with economics and nominate candidates for them; they should promote and train factory managers from among the workers and the masses of the working class in general; they should take a far greater part in the activities of all planning bodies of the state and in drawing up economic plans and programs for production and expenditures of stocks of material supplies for the workers; and they should draw up the wage and supply scales. Lenin maintained that the trade unions must "also, on an increasing scale, enlist the working class and the masses of the working people in general for all branches of the work of building up the state economy through these activities" and "give the workers and all working people practical training in the art of managing the economy of the whole country." This is "the key to the development of the national economy and the consolidation of the Soviet government bodies."

The CPC has persistently attached importance to the status of trade unions in the state's political life. Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has stressed that trade unions should participate in managing government and social affairs, urging trade unions at various levels to give powerful backing to and collaborate closely with the administrative departments of the party, the government, and the enterprises and to play a greater part in carrying out the socialist modernization program.

Judging from the nature of our country, the practice of trade unions participating in and discussing government administration is determined by the status of the working class and the role trade unions play in the political system of the proletariat. In our country, the working class is the representative of the advanced productive forces and advanced relations of production, the leading class of the state, and the main force for the modernization program. Trade unions are the prominent representative of the working class and serve as a bridge between the party and the masses of workers. The practice of trade unions participating in and discussing government administration will enable the party to promptly hear the voices of the masses of the workers and to maintain regular and close ties with the working class, helping to combine the top-to-bottom administration of the government with the bottom-to-top participation of the vast numbers of staff members and workers in government administration. The practice of the communist movement has proven that to complete its own historical mission, the working class must adhere to the proletarian dictatorship (called the people's democratic dictatorship in China), which is the comprehensive political system of a socialist state, a system composed of the party of working class, the government under its leadership, and such mass organizations as trade unions. Under the system, the trade unions, which play a very important role, are the pillar of the state government.

In terms of the needs of the development of the situation, the practice of trade unions participating in and discussing government administration is also the objective demand of the urban economic structural reform.

A modern city is not only an important industrial production base, but also the hub of commodity interflow and the commercial, trade, information, financial, scientific, technological, cultural, educational, and political center of a certain region. The aim of urban economic structural reform is to reform links and aspects of the relations of production and of the superstructure, which are incongruous with the development of productive forces, and to bring the role of key cities into full play. Who should we rely on in accomplishing such an extensive and profound change? We should rely without question on the working class. How to conduct economic restructuring in a city depends on the enthusiasm and initiative of the masses of staff members and workers to a great extent. Representing the aspirations and demands of the masses of staff and workers, the federation of trade unions in a city participates in discussing the city's work of overall importance and in the state's political, economic, and social life. This will help turn party principles and policies into willing action by the masses of staff members and workers and proceed to ensure the smooth execution of reform. In particular, urban economic structural reform will surely involve the urban economic and social development plan, the reform of the price, wage, and enterprise leadership systems, and the revision and enactment of related principles, policies, laws, and regulations. The practice of trade unions participating in and discussing government administration will enable trade unions to safeguard the long-term and immediate interests of the working class and to protect their legitimate rights and interests.

II. Aspects on Which the Federation of Trade Unions in a City Should Focus in Participating In and Discussing Government Administration

The practice of urban trade unions participating in and discussing government administration covers a wide range. In my opinion, this is mainly as follows:

First, trade unions should participate in the discussion of major problems facing the state and social life and make proposals for the national economic plan and social development of cities and the development plans for the local economy, construction of cultural and public facilities, enterprises, and institutions. Government departments concerned should maintain regular ties with trade unions and keep the urban federation of trade unions or industrial trade unions informed of the latest developments, and they should create conditions for trade unions to participate in such activities. In the meantime, the federation of trade unions should energetically organize staff members and workers of the whole city to carry out various effective mass production activities under the economic contract responsibility system so as to ensure the completion of the national economic plan and various social development plans. To make things easier for trade unions to participate in and discuss government administration, it is good to use the experiences of some socialist countries in Eastern Europe for reference to initiate a system under which trade unions and the government may hold joint meetings.

Second, trade unions should participate in the whole process of the government departments enacting related local laws and regulations. They should, in particular, take a direct part in the drafting of laws, decrees, and regulations which have a bearing on the immediate interests of staff members and workers. The trade unions should participate in the study, drafting, and implementation of all major and specific principles concerning urban and enterprise economic reforms. Trade union cadres should be included in the commissions (offices) for restructuring the urban economic system both as leaders and working personnel so that they can more directly make proposals for urban economic structural reform. Meticulous guidance should be given to grass-roots trade unions so that they can participate in, through the staff and workers congress, making major policy decisions for the enterprises.

This should include matters ranging from the production, operation, and development plan, the plan for technological transformation and technological progress, the distribution of income from labor, such as wages and bonuses, and welfare services.

Third, trade unions should supervise the implementation of the regulations, contracts, and agreements which concern the interests of working people. Government departments concerned and enterprises have a responsibility to help trade unions in this respect. Trade unions are entitled to directly ask enterprises to brief them on related developments and to investigate and affix the responsibility for those concerned if necessary. If enterprise leaders fail to correct their mistakes promptly, trade unions are entitled to ask the departments concerned at the higher level to take relevant steps against them or to appeal to judicial departments. The trade unions must be particularly empowered to supervise the matters of enterprises such as safety production, labor protection, wage rewards, and labor insurance. When violations of work regulations occur which seriously endanger the health of staff members and workers of their safety, trade unions have the right to organize staff members and workers to quit or not to work in dangerous production posts. Without the trade unions' approval, the already checked new, reconstruction, expansion, or technological transformation projects of enterprises should not be put into production.

Fourth, trade unions should safeguard the status and legitimate rights and interests of staff members and workers as the masters of the country. They should accept and hear the appeals of masses of staff members and workers and participate in the investigation and handling as well as arbitration of labor disputes by hiring legal consultants. They should promptly reflect the views and demands of the masses of staff members and workers through lecturing on special topics and distributing information bulletins, and they should conscientiously correct the erroneous practices of encroaching on staff members' and workers' interests on the basis of investigations and studies. The departments concerned should seriously answer and handle proposals or suggestions raised by the trade unions in this regard. Trade unions in cities should have a considerable say in matters concerning staff members and workers, such as wage rewards, labor protection, labor insurance, safety production, and punishment of workers.

UNIONS ENCOURAGED TO ENHANCE, PROMOTE POLICY

HK311020 Beijing GONGREN RIBAO in Chinese 27 Feb 86 p 4

[Article by Xiao Tuo: "Inherent Attributes of Trade Unions and Their Participation in and Discussion of Government Administration"]

[Text] Under socialist conditions, why should a trade union participate in and discuss government administration? This is, in the final analysis, determined by a trade union's inherent attributes. Only by fully defining a trade union's inherent attributes can we strengthen its consciousness, activism, and initiate in government administration and relevant discussions.

A trade union is a class organization and a mass organization of the working class, a mass organization of workers willingly joining together, and a mass organization of the working class. This scientific summation points not only to a trade union's class nature but also to its mass character. This carries great theoretical and realistic significance in giving full play to a trade union's positive role in state and social life. But this is not the end of our understanding of a trade union. Only by revealing the inherent attributes of a trade union as the sociopolitical organization of the working class can our understanding of it be complete. And only in this way can we further uncover underlying social factors behind the need for trade union involvement in government administration and relevant discussions and a proper theoretical basis.

Trade unions are products of class struggle and the workers' movement under capitalist conditions. Especially since the integration of Marxism and the workers' movement, under the guidance of Marxism and the leadership of the political party of the relevant class, trade unions, "with the thorough emancipation of the working class as their own great task," have further strengthened the unity of the working class, raised its consciousness, and started and organized and well-led struggle to seize state power, overthrow the capitalist system and bring socialism into being. As mass organizations of the working class, trade unions have thus fully demonstrated the inherent attributes of sociopolitical organizations.

With the working class seizure of state power, the trade unions' position, role, and tasks have of course undergone fundamental changes. But as the class organization and mass organization of the working class, the trade union still retains the inherent attributes of a sociopolitical organization. Lenin pointed out: "As the most wide-ranging proletarian organization in the world of classes, it is exactly now and especially after the proletarian seizure of state power through political revolution that trade unions should produce a particularly great effect, should occupy a most important position politically, and should become political organs with a certain degree of importance." Here Lenin treated the trade union as a mass organization and sociopolitical organization "with a very special role" in the system of proletarian dictatorship.

Trade unions in China were born in semicolonial and semifeudal old China. Their birth and development have always been linked to the process of our national democratic revolution. Since they first appeared on the stage of political history, China's trade unions, as an independent political force, have always consciously accepted the leadership of the vanguard of the relevant class -- the CPC. Under the leadership of the CPC, China's trade unions organized and educated the working class, waged an arduous and remarkable protracted struggle against imperialism, feudalism, and bureaucratic capitalism, and made major contributions in the struggle to establish New China. In the period of socialist revolution and construction, China's trade unions played an increasingly important role in domestic and international affairs as the most important mass and sociopolitical organizations in the state's political system. In the period of socialist modernization and economic reform, China's trade unions are not only builders of material civilization but also of spiritual civilization. They take an active part in the management of state and social affairs and in the democratic management of enterprises and institutions. They play a positive role in various aspects of the state's political, economic, cultural, and social life.

Our party has always attached importance to and supported trade union participation in government administration and relevant discussions. Not long ago, the CPC Central Committee Secretariat and the State Council further created the necessary conditions for the State Council further created the necessary conditions for the trade union organizations to play a still better role in the state's political and social life and in economic reforms. In line with the request of the party group of the All-China federation of Trade Unions, the following was agreed: 1) If there is anything concerning the personal interests of workers in the study and formulation of plans on the state's economic and social development and important guidelines or general and specific policies by the CPC Central Committee, the State Council, and relevant ministries and commissions, notice will be sent to the All-China Federation of Trade Unions about participation in the necessary meetings or relevant work; 2) trade unions will be encouraged to participate in leadership organs responsible for various major reforms involving the workers' interests; 3) various industrial departments and localities should also refer to the above-mentioned principles and encourage industry-related trade unions and local trade unions to participate in relevant work and activities. In line with the above spirit, urban trade union councils and industry-related trade unions must actively participate in urban reform, concentrating especially on leadership organs responsible for various major reforms involving workers' interests and their relevant activities.

Through various channels, such as the people's congress, the CPPCC, and so forth, they must constantly reflect the workers' wishes and demands. In examining or discussing plans, programs, policies, and laws and regulations, they must propose views and suggestions. This fully shows that the CPC Central Committee recognizes the trade unions' important role in the state's political, economic, cultural, and social life and shows keen support for continuously increasing their capacity to participate in government administration and relevant discussions. This important measure from the CPC Central Committee Secretariat and the State Council shows that, in the scope and role of our trade union participation in government administration and relevant discussions, a new trend of high-level development marked with cooperation from top to bottom and systematic exploration -- a trend from involvement in taking good care of the lower levels and stimulating enterprises to involvement in research and in urban reform and construction as a whole -- has begun.

Simultaneous with a continuous effort to strengthen basic-level democratic management, trade unions are strengthening research at the top and are actively participating in government administration and relevant discussions where the highest decisions on matters of policy are concerned. Thus, they can better strengthen basic guidance, pave the way for basic involvement in stimulating things, and play a still greater role in urban construction and urban economic reform as a whole and even in the life of the whole state and of society. They can also better represent and support the democratic rights and material interests of the masses of workers and more effectively speak and act for the workers, thus further cementing ties between the party and the government on one hand and the masses of workers on the other, giving fuller play to the role of the trade union as a link, as a pillar of society, and as a communist control school. In this way, the inherent attributes of our country's trade unions as the sociopolitical organization of the working class will have added glamor and benefit from further enrichment and development. The working class position in the state's political, economic, cultural, and social life will be further elevated. The spirit of the working class as the master of the state will also definitely be increasingly enhanced.

Trade unions as mass sociopolitical organizations of the working class can thereby more consciously and fully exercise their special social functions on the extremely wide-ranging sociopolitical stage of our country's socialist modernization and urban economic reform.

DIRECTION OF MARXIST THEORETICAL STUDIES SEEN

HK310417 Beijing RENMIN RIBAO in Chinese 21 Mar 86 p 5

[Article by Liu Yiyun: "Thoughts Related to Theoretical Studies"]

[Text]

I

Some comrades made an investigation and said that quite a few people were not interested in theory and show no concern about politics. I do not agree with this view. I think that through the study of the four basic principles and the historical experience gained since the founding of the PRC, the discussion on negating the "Great Cultural Revolution," the discussion and practice of the rural production responsibility system; and the current economic structural reform, the vast number of cadres' and people's understanding of Marxist theory and thoughts has been greatly, rather than generally, improved, compared with the past.

In particular, in the process of bringing order out of chaos and at the turning point of the new situation, new task, and new historical period, new things are emerging in turn.

People always have lots of ideas about these new things. Some of them doubt, make speculative forecasts, worry about, favor, or oppose these new things. They talked about these new things everywhere. I think that this is a good phenomenon. However, some of our comrades think that this situation shows that people's minds are confused and that wrong, or at least what they call muddled, ideas have surfaced in people's minds. They only see the negative side and the surface trends of people's thoughts, but what they see is not the essence of people's thoughts. Deeper, under the so-called muddled ideas, there lies the people's concern about politics and their demand for clearly reasoned theoretical answers to these questions. Are we, therefore, not justified in saying that the masses have an urgent interest in politics and theory? If you judge the people's interest in theory by the number of workers and peasants who urgently want to read the works of Marx and Lenin and textbooks on Marxist-Leninism, you will, perhaps, never realize the tremendous interest of the masses in theory. We should understand that when people are all talking about something, it provides a very good chance for us to carry out education in Marxist theory among our cadres and people, continually improving their understanding of Marxism through practice. Such chances often emerge, but we often fail to seize them. I want to ask, with indignation, of those who believe that the masses of people are not interested in theory: Does this show that people are not interested in theory and have no concern about politics, or that some of our cadres, in particular those in charge of leadership or propaganda work, do not know what it means to be interested in theory and to have concern about politics, and do not know by what means we can foster and heighten the whole nation and all our people's interest in theory?

II

Currently, we are studying reform in Marxist theoretical courses taught in our universities and colleges. This is very important and good. I have not studied this issue. However, I have reviewed the process whereby people of my generation (those who became cadres during the war of resistance against Japan) became followers of Marxism. We can learn something from this historical experience.

When we were young, our interest in and good impression of Marxism was not taught by the CPC. At that time, we had not met any party members and knew only very little about the party via reactionary propaganda in newspapers and magazines. It was in the first place the KMT who "trained" us to have contact with and choose Marxism. We studied for more than 10 years in schools under KMT rule and almost everyday, the counterfeit three principles of the people, idealism, and the political ideas that combine these theories with practice, such as the idea that "civil disorder must first be overcome before foreign aggression is resisted" were forced upon us. Compared with the situation at that time, when we were faced with the choice between resisting Japan and fighting for the survival of our country or becoming slaves without a country, these theories of counterfeit three principles of the people and idealism roused increasingly greater doubt, disgust and even indignation. Therefore, we wondered whether there was any other theory that could satisfy our demands for resisting Japan and national salvation. So we ran around on Sundays to look for what we wanted in second-hand bookstalls and libraries, among dust-covered and moth-eaten books. To our surprise, we found some. Later, books and magazines such as Ai Siqi's "Dazhong Zhexue" ["Popular Philosophy"] became available. We read these books stealthily in our classrooms or in our beds at home with great interest. Though we read some of them with little understanding, we finally found some light before our eyes and could not help but exclaim: "So, truth is in these old books." We then took the risk of recommending these books to our intimate classmates.

"Do not worry about now knowing much about the goods; just compare and you will see which is better." It was through our own brains, over a fairly long period of comparison and consideration, and through our own choice, that we became familiar with Marxism.

Because it was a choice made after conscientious and serious consideration, we had amazing courage at the very beginning. We did not fear being scolded or expelled from our schools, and we even formed groups to argue with the groups formed by our school-mates who believed in the counterfeit three principles of the people. Later, we simply left our homes and mothers and went far away to Yanan where we could study Marxism publicly and where we devoted ourselves to the revolution. I always think that it will not do if we merely rely on forcing Marxism down our students' throats to make them choose Marxism. We should have confidence in the force of Marxist theory as a truth, and believe that it is the trend of the times and the desire of the people that at present we should regard the four modernizations as a general task related to the whole situation, make our country prosperous and our people rich, and strive for world peace. In order to achieve these goals, we can only rely on the application of basic Marxist principles; no other principles can help us. My opinion is that we should let the students face the world and brave the storm in studying theory. Only by applying the dialectical methods of Marxism can we learn Marxism satisfactorily. In addition to making the students particularly study books about Marxism, we should also encourage them to read representative books that are not Marxist and that oppose Marxism, and guide students into considering and comparing them on their own. As long as they are patriotic and as long as they pursue truth, I am confident that most of them will choose Marxism and quite a few of them will become firm Marxists.

III

A man always has many interests and interest in theory is a kind of high-class interest. It is an interest to probe into the laws that govern the development of man, nature and society. No matter what kind of work one is engaged in, as long as one has this kind of high-class interest, one will certainly be conscious in studying Marxist theory. We, the Communist Party, rely on the principle of integrating theory with practice in developing our undertakings. If we satisfactorily integrate theory with practice, we will win great victories, but if we do not, we will commit serious mistakes and suffer great losses. This is an important historical experience and lesson that we all bitterly remember. Therefore, it is particularly important for our party committees at all levels, in particular, those at and above provincial and municipal level, to be interested in theory. Some party committees at and above provincial and municipal levels seldom put discussion of theoretical issues on their agenda and even less seldom take the initiative in discussing these issues. As they seldom discuss the issues, they fail to make sufficient theoretical and mental preparations and rely only on "books" and "instructions from upper levels." If they cannot find an answer in their "books," they can rely on "instructions from upper levels." When the central authorities say something, they become nervous and are at a loss what to do because they are not prepared. We should consciously maintain political identity with the CPC Central Committee and correctly implement its line, principles and policies. It is not easy to do so if our cadres, in particular the leading cadres at various levels, fail to have the necessary level of understanding of Marxist theory. I hope that by mentioning these problems, I will urge the leading comrades of our provincial and municipal CPC committees to think deeply, and thus improve and intensify the party's leadership over the work of studying and publicizing Marxist theory.

MARXIST WRITER AI SIQI, WORKS REMEMBERED

HK310138 Beijing RENMIN RIBAO in Chinese 21 Mar 86 p 5

[Article by Wang Huide and Jia Chunfeng: "Commemorating the 50th Anniversary of the Publication of 'Dazhong Zhuxue' [Popular Philosophy]]

[Text] The year 1986 marks the 20th anniversary of the death of Comrade Ai Siqi, China's well-known Marxist philosopher.

It is also the 50th anniversary of the publication of his book "Dazhong Zhexue," which has attracted numerous readers and tugged at the heartstrings of thousands upon thousands of young readers throughout the years.

Comrade Ai Siqi was only 56 when he died. In pursuit of truth, he had fought unremittingly to spread Marxism since his youth, and dedicated his whole life to the theoretical study of Marxism, theoretical propaganda, and theoretical education. Ai was a loyal communist fighter who worked diligently all his life in the direction indicated by the party and who scored outstanding accomplishments in ideological and theoretical fields.

The journal DUSHU [STUDY], a Shanghai publication, carried "Zhexue Jianghua" [Talks on Philosophy] written by Comrade Ai Siqi between November 1934 and October 1935. When the talks were first printed in book form in 1936, the title was changed to "Dazhong Zhexue." Since then, the book has been closely linked with Ai Siqi and spread all over China. This is how the author came to be called "philosopher of the masses." "Dazhong Zhexue" had 32 reprints between 1936 and 1948. It was a rare accomplishment in China's philosophy circles to have so many reprints of a single book by a philosopher in a short span of a little more than a decade. In this book, the author linked the daily life of the people with the basic tenets of dialectical materialism, explaining the profound in simple terms. The author was not satisfied with the accomplishments of the first edition of the book. He revised it on several occasions with the development of practice and his own understanding. The last revision was in 1950. The book available today in Xinhua Bookstore, published by the Joint Publishing Company in 1978, was typeset according to the last revised manuscript. When "Dazhong Zhexue" first appeared, it exerted a profound influence on young people and the intellectual circles. In their spiritual famine, many young people obtained their long-awaited spiritual bread with this book and saw the light of hope in their spiritual depression. Many young students and intellectuals became interested in Marxist theory because of this book and eventually dedicated themselves to the revolution. Some young people devoured this book when they were thrown into the enemy's prison. Others carried it in their fieldpacks on their way to Yanan and other revolutionary base areas.

The fate of philosophy and theory is always determined by the extent to which they satisfy the needs of the times, social practice, and the people. It was not by chance that "Dazhong Zhexue" became a best-seller among young people and the intellectual circles at the critical juncture of our national crisis on the eve of the outbreak of the war of resistance against Japan as well as during the years of the war of resistance against Japan and the war of liberation. Comrade Ai Siqi said that the objective reasons for this book to have become a bestseller on the eve of the war of resistance against Japan were: 1) the political line for the party's united front at that time was correct; 2) the victories of the Long March and the northern expedition in resistance against Japan; and 3) the theoretical and practical needs of educated young people in the national salvation movement. It was precisely for the above reasons that people's interest in the new philosophy (Marxist philosophy) was stimulated. In addition, he said that without a revolutionary situation in the movement of resistance against Japan and national salvation, there would not have been so many young readers who were in urgent need of revolutionary theory. True, the success of "Dazhong Zhexue" is precisely owed to the efforts of the author. It was the explanation and discussion of Marxist theory in simple terms that met the needs of practice in struggle and the needs of the readers and the intellectual circles, particularly a young generation in the movement of resistance against Japan and the national salvation, and their pursuit of emancipation and truth. Just as Comrade Mao Zedong puts it, "Dazhong Zhexue" is a book "written in simple terms, but it is valuable."

It is no easy job to communicate with a generation of young people about Marxist philosophy, allowing theory to exert an influence over them and urging them to forge ahead courageously.

In Li Gongpu's preface written for the book before the war of resistance against Japan, he said: "Philosophy exists in people's lives, and everyone has his own philosophy. There is really nothing mysterious about this. But many philosophers have dealt with philosophy in sophisticated language, which confuses ordinary people, who think philosophy too difficult to grasp and beyond them. Such an erroneous concept has actually been caused by those who talked about philosophy in the past." He believed that Ai's book on philosophy was one to be grasped by laymen, not kept in the expert's private study. Then he went on to express his doubt that "popular philosophical works might lead to vulgarism," and Ai's book has provided supporting evidence. Writing correct theory in simple terms will by no means lead to vulgarism so long as the theory is not distorted and correct. Ai's work has served well as evidence to prove this point. Self-styled highbrows may disdain the book, but if philosophy is to be accepted by the masses, it has to be written in their terms. Li Gongpu's suggestion that philosophical works be written in simple terms while refraining from vulgarism is reasonable. It requires great effort to make philosophical theory popular. Just as Comrade Ai Siqi wrote in "How I Wrote 'Dazhong Zhexue,'" a popular work should be written specifically and easily, linked closely to the realities of life. This demands our grasping the sentiments of the masses, understanding the logical way of life in its development, and starting from the experiences of the people in their life, in order to get the truth to the masses and affect them in a form they will accept.

In the half century since the publication of "Dazhong Zhexue," earthshaking changes have taken place in China. Marxist philosophy has been widely spread, popularized, greatly enriched, and developed. With the advance in the practice of revolution and construction, Comrade Ai Siqi made unremitting efforts to propagating and explaining such important philosophical works as "On Practice," and "On Contradictions" by Comrade Mao Zedong, and in pushing forward research and education in Marxist philosophy.

Any genuine philosophy is the quintessence of the spirit of the times. Since the 3d Plenary Session of the 11th CPC Central Committee, China has entered a new stage of historical development with socialist modernization as its center. It was at this session that Comrade Deng Xiaoping evaluated the discussion of the criterion for testing truth. He said: "In fact, the current debate about whether practice is the sole criterion for testing truth is also a debate about whether people's minds need to be emancipated. Everybody recognizes that this debate is about what is important and necessary. The importance of the issue is becoming clearer all the time. When everything has to be done by the book, when thinking turns rigid and blind faith is the fashion, it is impossible for a party or a nation to make progress. Its life will cease and that party or nation will perish. Comrade Mao Zedong said this time and again during the rectification movements. Only if we emancipate our minds, seek truth from facts, proceed from reality in everything, and integrate theory with practice can we carry out our socialist modernization program smoothly, and only then can our party further develop Marxism-Leninism and Mao Zedong Thought. In this sense, the debate about the criterion for testing truth is really a debate about ideological line and about the future and the destiny of our party and nation."

Comrade Deng Xiaoping dealt with the discussion of the criterion for testing truth from the realistic practice and the future and fate of the party and the nation, which was a very incisive and enlightened view. Now we have come to see more clearly that the profound and widespread social influence of the discussion has really demonstrated the historical demand for bringing order out of chaos since the fall of the "gang of four," and people's strong aspirations for breaking the bonds of dogmatism and the personality cult, as well as the basic trends of correcting the "leftist" error of taking class struggle as the key link and realizing historical change.

At present reforms and the four modernizations have advanced a series of topics for the study and propaganda of Marxist philosophy. Philosophy, in turn, needs to absorb ideological nutrients from such vigorous socialist practice with originality and be enriched and developed. Regarding philosophy and theory both specialized academic works and popular philosophical readers are needed. The social function of philosophy lies in providing people with a scientific world outlook and methodology to improve people's capability in theoretical thought, so that people may obtain a scientific means of understanding the numerous and complicated social phenomena and the practical activities of creating a new life. Popular philosophy readers should bring into play such a function more effectively. This requires those who work on the forefront of reforms and the four modernizations to go more often into the new realities of life, be good at capturing the new things emerging everywhere in the practice of the masses, and link philosophy with life and the minds of young people in lively and vigorous forms.

One book after another of new popular philosophy, popular economics, popular politics, popular legal science, popular ethics, popular psychology, popular sociology, and popular aesthetics, with new essences and new ideas in new language guided by Marxism and directed at new practice, to be presented to people who are exerting their efforts in reforms and construction, especially the young generation bent on invigorating the Chinese nation and dedicating themselves to socialist modernization -- this should be the lofty social responsibility of our theoretical workers and the practical action and important aspect when implementing the principle of making theory serve socialist modernization. Let us learn from Comrade Ai Siqi his praiseworthy spirit in writing "Dazhong Zhexue!" We should make new efforts worthy of these great times and the great practice of today!

FURTHER REPORTAGE ON SIXTH NPC MEETING

Huang Hua on Foreign Policy

OW010829 Beijing XINHUA Domestic Service in Chinese 1238 GMT 31 Mar 86

[By reporter Ji Naifu]

[Text] Beijing, 31 Mar (XINHUA) -- Huang Hua, vice chairman of the NPC Standing Committee, spoke in his capacity as NPC deputy at an NPC group discussion of the Hebei delegation today. He pointed out: In his report on the draft Seventh 5-Year Plan, Premier Zhao put forward a very scientific Marxist thesis, "China's domestic and foreign policies are an organic entity." This thesis is of great significance for the accomplishment of the Seventh 5-Year Plan and the strengthening and defense of world peace.

Huang Hua said that in recent years our party and government have readjusted our foreign policy in accordance with the development and transformation of the international situation and the needs of our domestic economic construction. He said: Firmly pursuing an independent foreign policy for peace and persistently opening itself to the outside world, our country has stepped up its economic and technological exchanges and cooperation with other countries on the basis of equality and mutual benefit. At present we have more friends, and our country has been enjoying increasingly higher international status and prestige, establishing diplomatic relations with 133 countries. These facts fully show that our foreign policy is absolutely correct. China is playing a more and more important role in the current struggle to defend world peace and promote common development.

After expounding his views, Huang Hua added: An important reason for the tremendous achievements made by our country in foreign affairs during the Sixth 5-Year Plan was our great success in restructuring the economy, which promoted steady economic development and provided powerful backing for our foreign affairs. He said: In his report to the NPC, Premier Zhao expounded China's foreign policy in a more systematic and comprehensive way, and pointed out the main contents and basic principles in 10 aspects. This will further promote our foreign affairs. We should seriously implement these principles and join the countries of the Third World and other peace-loving countries in making joint efforts to strive for a long peaceful international environment.

Xu Jiatun Speaks

OW311034 Beijing in Mandarin to Taiwan 1500 GMT 29 Mar 86

[Text] Xu Jiatun, NPC deputy and director of the Hong Kong Branch of the XINHUA NEWS AGENCY, joined Hong Kong and Macao deputies of the Guangdong delegation on the afternoon of 28 March in examining and discussing Premier Zhao's report. Xu Jiatun said during the discussion: At a symposium on Hong Kong's economic problems in Taiwan recently, some economists expressed a pessimistic view with regard to Hong Kong's future. They also said that China's reform of its economic structure and its policy of opening to the outside world were failures. Premier Zhao's report has wisely refuted this pessimistic view.

Xu Jiatun said: Premier Zhao's report contains sufficient data regarding China's achievements in reform and opening to the outside world. The report reflects a breakthrough in summing up how to learn from and use the experience of developed capitalist countries. It shows that in a situation of one country and two systems there can be not only peaceful coexistence but also peaceful competition and peaceful development.

Xu Jiatun said: Our country's economic construction has been in its best form since the birth of New China. During the Sixth 5-Year Plan, China's socialist construction began a favorable cycle as a result of our bold reforms made in light of actual conditions. All views at home and abroad that express doubt about or negate our reforms are unfounded.

Ideo-Political Work Stressed

OW310824 Beijing XINHUA Domestic Service in Chinese 1313 GMT 30 Mar 86

[Excerpts] Beijing, 30 Mar (XINHUA) -- In studying Premier Zhao Ziyang's report, NPC deputies attending the Fourth Session of the Sixth National People's Congress emphatically pointed out: The focus of the Seventh 5-Year Plan is economic construction. However, ideological and political work constitutes an important guarantee for economic construction. The deputies pointed out: While strengthening socialist material civilization, it is necessary to vigorously strengthen socialist spiritual civilization.

Geng Biao, vice chairman of the NPC Standing Committee, said: In his report, Premier Zhao Ziyang attached great importance to ideological and political work. We completely agree. He said: During the past few years, ideological and political work and the spirit of self-reliance and arduous struggle have been less emphasized. In addition, propaganda work has often been carried out onesidedly. Some people, particularly some young people, are quite confused in their minds. Some localities have solved their problems fairly well after strengthening ideological and political work. The reports on the heroes of the Laoshan front in particular have had a wide-ranging impact among young people.

He said: In developing the four modernizations program, we must advocate Marxism and adhere to the socialist orientation. We must not relax ideological and political work while paying full attention to socialist spiritual civilization.

NPC deputy Song Lin of the Qinghai delegation said: The "Seventh 5-Year Plan" advocates the simultaneous development of material and spiritual civilization. He said: The on-going reform in our country is a great but arduous task. It will certainly bring profound changes in our economic and social life, work methods, and mental outlook. All this demands that, while carrying out economic construction, we must strengthen ideological and political work and persistently develop material and spiritual civilization at the same time.

NPC deputy Ye Ganyun of the Jiangsu delegation said: Over the past few years, unhealthy tendencies have begun to prevail in some localities where spiritual civilization has not been developed well. Recently things have begun to improve, because efforts have been made to vigorously promote spiritual civilization. He called for efforts to continue paying attention to spiritual civilization and give widespread publicity to advanced individuals in all fields of endeavor.

NPC deputy Tian Jingqi of the Sichuan delegation said: Right now there are some issues that should not be ignored by workers. Some workers do not regard themselves as masters of their own affairs, while others tend to attach importance to making money. Some of them believe that all people, be they advanced or backward, work because they must make a living and support themselves; they are not interested in politics. Others only crave diplomas, saying "life is important, but a diploma is even more important." Still others fail to understand the significance of implementing the policy of opening to the outside world, the wage policy, and the policy on contract workers. He said: In view of this situation, we should vigorously strengthen ideological and political work among workers and staff and bring into full play the role of workers congresses in this respect.

NPC deputy Yang Mo, who is also a writer, completely agrees that while developing material civilization, it is also necessary to strengthen efforts to promote spiritual civilization. She said: Literary and art works of all types can greatly affect people's minds, particularly those of young people.

NPC deputy Guan Shanfu of the Jilin delegation said: Our newspapers, magazines, and books should be oriented to serving socialist spiritual civilization. Influenced by the thinking of attaching great importance to making money, some publishing houses allow a number of filthy books and journals to flood the market in order to make money, while people cannot afford to buy good books because they are too expensive. All this will directly influence the development of socialist spiritual civilization. He suggested the restoration of traditional measures to subsidize the publishing of educational books and journals with educational funds and the publishing of literary books with cultural funds in order to reduce the prices of books, newspapers, and journals.

'Law for Public Servants' Urged

OW311224 Beijing XINHUA in English 1146 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- National People's Congress deputies from the Taiwan delegation suggested that a "law for public servants" be formulated to facilitate a better examination, use, and monitoring of state officials.

During the panel discussion of the Seventh Five-Year Plan, the deputies expressed their support for Premier Zhao Ziyang's recommendation that China's legal system be strengthened and that government officials at all levels serve the people wholeheartedly.

Liu Caiping, associate research fellow of the Zijinshan observatory in Nanjing, said that the appointment of government officials should be based on state requirements, not the impressions of a few individuals. Liu pointed an accusing finger at the wasting of money by state officials and questioned why grafting of 10,000 yuan is a crime, but wasting 10 million yuan is not. "It is unreasonable," he said.

Ma Liesun, a Moslem deputy from the Ningxia Hui Autonomous Region, held that there should be a benchmark for what is considered wasteful. He asked if "the badly planned projects, indiscriminate use of foreign exchange for importing, poor quality goods, and other symptoms of bureaucracy" are demonstrations of wastefulness. "A law should be formulated to punish those who waste money," he urged.

NPC deputies from other parts of the country also noted what Premier Zhao said in his report that serious corruptions exist in some places. They said that the central and local governments should take forceful measures to stop such practices.

Wang Enmao at Dance

OW291432 Beijing Domestic Service in Mandarin 0200 GMT 28 Mar 86

[Excerpts] On 26 March NPC deputies from Xinjiang and Gansu attending the Fourth Session of the Sixth National People's Congress held a get-together with local staff members at the regional office of Xinjiang and Gansu in Beijing to celebrate the convocation of the session.

Wang Enmao, NPC deputy and chairman of the Advisory Commission of the Xinjiang Uygur Autonomous Region, 70 years old, danced happily with the other deputies. Our station reporter (Hu Zhijian) interviewed him there, and asked Comrade Wang Enmao to give his impression of the session.

Comrade Wang Enmao said: The Fourth Session of the Sixth NPC marks the end of the Sixth 5-Year Plan and the beginning of the Seventh 5-Year Plan. Under the leadership of the party Central Committee, we have successfully fulfilled the Sixth 5-Year Plan, thanks to the joint efforts of the people of all nationalities throughout the country. The Sixth 5-Year Plan period was the best in promoting the nation's social and economic developments. We believe we will definitely score even greater achievements in promoting economic and social developments during the Seventh 5-Year Plan period. We NPC deputies from Xinjiang are elated at the nation's tremendous achievements. We are happy to gather here today to celebrate the convocation of the Fourth Session of the Sixth NPC.

The reporter thanked Comrade Wang Enmao for his remarks.

Hong Kong, Macao Deputies Feted

OW290221 Beijing XINHUA Domestic Service in Chinese 1504 GMT 26 Mar 86

[Text] Beijing, 26 Mar (XINHUA) -- The China Democratic National Construction Association and the All-China Federation of Industry and Commerce gave a dinner at a Beijing restaurant this evening for NPC deputies and members of the CPPCC National Committee from Hong Kong and Macao who had come to Beijing to attend the fourth sessions of the Sixth NPC and the Sixth CPPCC National committee. In his toast, Hu Ziang, chairman of the Federation of Industry and Commerce, praised the industrial and commercial circles in Hong Kong for their work in promoting stability and prosperity in Hong Kong since the signing of the Sino-British joint statement on Hong Kong.

He urged industrial and commercial circles in inland China and Hong Kong to step up cooperation and contribute to the revitalization of the Chinese nation. Attending the dinner were Vice Chairman of the NPC Standing Committee Rong Yiren, Vice Chairmen of the CPPCC National Committee Yang Jingren, Liu Lantao, Wang Guangying and Liu Jingji, and Director of the United Front Work Department of the CPC Central Committee Yan Mingfu, as well as Ping Jiesan, Li Hou, and Lu Ping.

REFORM OF SUPPLY, MARKETING COOPERATIVES VIEWED

HK300942 Beijing RENMIN RIBAO in Chinese 24 Mar 86 p 2

[Commentator's article: "Semi-Official and Semi-Private Supply and Marketing Cooperatives Should Also Be Reformed"]

[Text] Under the guidance of Central Documents No 1, issued in past few years, supply and marketing cooperatives in rural areas have been carrying on reform and have done a great deal of work achieving good results in serving peasants. "The 1986 rural work arrangements by the CPC Central Committee and the State Council" point out: Supply and marketing cooperatives shoulder arduous tasks for purchasing large quantities of farm produce and supply producer and consumer goods. In order to meet the needs of the peasants in developing the commodity economy, they should speed the pace of reform and thoroughly turn themselves into cooperative commercial enterprises owned by the peasant masses. This shows that it is now necessary to further advance the reform of supply and marketing cooperatives.

In the final analysis, reform of the supply and marketing cooperatives should completely restore their nature of being run by local people. Since 1982, through such measures as expanding shares and delegating power to cooperatives, supply and marketing cooperatives have improved their relations with local peasants and have strengthened their position of being run by local people. However, they are still far from being thoroughly turned back into cooperative commercial enterprises run by local peasants for themselves. Many supply and marketing cooperatives remain in the state of being run half by the state and half by local people. This state of affairs is not in line with the requirements of the development of the rural commodity economy. At present we are reforming the system of state monopoly over farm produce purchases. The purchases of grain, cotton, and other major farm products have been based on a contract system. The marketing of most farm products has been decontrolled. With the rise in agricultural productivity and the increase in the quantity of marketable farm produce, peasants, as independent commodity producers, will require more and more supply and marketing services. In order to expand their operational scale, stabilize relations between production and marketing, and ensure various social services, the peasants need an economic organization of their own which can provide timely services for themselves and can deal with economic relations with state institutions on their behalf. Supply and marketing cooperatives should be such peasant economic organizations. If they are not thoroughly turned into peasants cooperative commercial enterprises, they will not be able to satisfy the peasants requirements. Some people fear that once supply and marketing cooperatives are completely run by local people, their social status will be lowered and the scope of their functions will be narrowed. On the other hand, if supply and marketing cooperatives in the whole country become a huge cooperative economic group of the 800 million peasants, they will certainly bring great vigor to the socialist rural commodity economy and will hold bright prospects for development.

At present, more and more comrades have come to realize the importance and necessity of turning supply and marketing cooperatives into cooperative commercial enterprises run by local people and have become more conscious in advancing reform in this regard.

However, our task of thoroughly restoring the supply-marketing cooperatives nature of being run by local people is still arduous. We have yet to overcome the old conventions and old ideas and to remove the old obstacles caused by vested departmental interests. At present, the primary task for cadres and workers in the system of supply and marketing cooperatives is to deeply understand the spirit of the instructions of the party central leadership and the State Council, bring their thoughts into line with the requirements of economic reform, take initiative in providing necessary services, and promote the development of horizontal economic combinations so as to help supply and marketing cooperatives change into commercial enterprises completely run by local people. This represents the desire of the 800 million peasants.

STATE COUNCIL CIRCULAR ON ELECTRONICS INDUSTRY

OW290533 Beijing XINHUA Domestic Service in Chinese 0809 GMT 24 Mar 86

[Excerpt] Beijing, 24 Mar (XINHUA) -- On 8 March, the State Council approved and distributed a report submitted by the Ministry of Electronics Industry on reforming the management system in the electronics industry. In a circular attached to the report, the State Council pointed out: In reforming economic management in industries, we must adhere to the principle of separating government functions from business management, of achieving a simpler, decentralized administration, and carry out reforms with emphasis on enhancing the enterprises' vitality. The idea of the Ministry of Electronics Industry in reforming the economic management system in electronics industry conforms with the guidelines laid down in the "decision of the CPC Central Committee on reform of the economic structure." It has followed a correct orientation, and its method, steps, and measures are feasible.

The circular also pointed out: The Ministry of Electronics Industry is a department which plays the role of making overall plans and managing the entire electronics industry in the country. The State Council entrusts the ministry with the necessary authority and regulatory means. After transferring the enterprises directly under this administration to a lower administrative level, the Ministry of Electronics Industry must gradually orient itself toward serving the whole industry and earnestly strengthen its management in the electronics field. Management departments at all levels in the electronics industry must also change their role from departments in charge of the enterprises into government organs in charge of electronics trade in the local district. People's governments at all levels must give full support to and coordinate with the various departments concerned in reforming the management system in the electronics industry and take due actions in carrying out this work on a solid basis.

In its report, the Ministry of Electronics Industry said: The basic task in reforming the electronics industry is to form and economic management system in the electronics industry -- a system full of vitality -- so as to promote even greater developments in the industry, meet the requirements in developing new technologies, attain even greater social and economic benefits, and ensure that the electronic industry will serve the four modernizations drive and the people even better. It is for this reason that the report put forward the following four tasks in carrying reforms for 1986 and 1987:

1. Achieve a simpler, decentralized administration and revitalize enterprises.
2. Separate government administration from enterprise management and put enterprises under a lower administrative level.

3. Promote enterprise integration and reorganization and change the structure of enterprises. Enterprises may be put under a lower administrative level after being integrated. They may become integrated while they are being placed or after they have been placed under a lower administrative level.

4. Change the role of the ministry and manage the industry well. After separating government administration from enterprise management, the Ministry of Electronics Industry, as a department under the State Council, is responsible for making overall plans and managing the entire electronics industry in the country. Administrative departments at all levels in the electronics industry must strengthen macrocontrol while continuing to improve microflexibility. They must make full use of economic and legal means, gradually employ less administrative measures, vigorously strengthen their indirect control over various economic activities, and step by step improve the system and methods in exercising such indirect control.

The report of the electronics industry also suggested that the state support the major projects in the overall plans in the electronics industry as well as the key enterprises in the industry by encouraging investments, extending loans, and reducing the regulatory tax.

STATE COUNCIL CIRCULAR ON FOREST FIRE PREVENTION

OW310728 Beijing XINHUA Domestic Service in Chinese 1215 GMT 29 Mar 86

[Excerpts] Beijing, 29 Mar (XINHUA) -- The State Council recently issued an "emergency circular concerning effective and intensified efforts in forest fire prevention." The circular calls on all provinces, municipalities, and autonomous regions to strengthen leadership over forest fire prevention work for ensure the safety of forested areas.

The circular said: Some provinces and autonomous regions in the south, where rain and snow were scarce last winter and dry weather has prevailed since this spring, are still in the fire prevention season, while the north, where it seldom snowed last winter, has already entered the spring forest fire prevention season. In this connection, the emergency circular urged all localities to pay attention to the following matters:

1. People's governments at all levels should effectively step up work in spring forest fire prevention. It is necessary to conduct a general inspection of fire prevention. It is necessary to conduct a general inspection of fire prevention work, take effective measures to deal with existing problems, and assign a leading comrade to take personal charge of the work.
2. It is necessary to strictly abide by regulations concerning the use of fire in open fields and to tightly control sources of fire.
3. It is necessary to unfold extensive publicity and education on preventing forest fires.
4. It is necessary to organize and increase the number of full-time fire fighters in areas prone to forest fires.
5. In accordance with the "Forest Law," it is necessary to strengthen organizations for forest protection and fire prevention and staff them with full-time personnel to take charge of extinguishing forest fires.

STATE COUNCIL CIRCULAR ON PRODUCTION SAFETY

OW291416 Beijing XINHUA Domestic Service in Chinese 1318 GMT 26 Mar 86

[Excerpts] Beijing, 26 Mar (XINHUA) -- In transmitting the national production safety committee's "opinion concerning attaching great importance to production safety and checking the increase in accidents involving deaths and injuries," the General Office of the State Council recently issued a circular, which said: Last year, there was relatively big increase in accidents resulting in deaths and injuries to workers in the country, including some very serious ones. Leaders at all levels should attach great importance to production safety and adopt effective measures to ensure safety and to eliminate such an undesirable phenomenon as quickly as possible.

The national production safety committee's "opinion concerning attaching great importance to production safety and checking the increase in accidents involving deaths and injuries" said: For a few years following the 3d Plenary Session of the 11th CPC Central Committee, production safety was relatively good, and the number of deaths decreased by a big margin for 3 consecutive years, averaging 10.5 percent annually. However, the decrease has slowed down since 1983, and the number of accidents picked up again in 1985. We must pay close attention to production safety and take effective measures to check the rise in accidents and get rid of such an undesirable trend in order to ensure smooth progress of the modernization drive.

The "opinion" said: Causes for the serious increase can be attributed to the following: Some leading comrades still lopsidedly pursued a high output quota, while neglecting quality and safety in production; in introducing the contract economic responsibility system, quite a few units listed only economic and technical targets and excluded production safety, or just had safety slogans without concrete measures to ensure it in the contract; production safety was not observed and violations of regulations and operations by those in authority took place in some units; and some other units failed to keep up with training for cadres and safety education for workers during the transitional period between new and old leading bodies and the reform of labor system, which resulted in a drastic increase in the number of negotiated workers and shift workers and a relative decline in the quality of workers.

The "opinion" said: As this year is the first year of the Seventh 5-Year Plan, we must strive to achieve a good start in production safety. The general goals of safety work should be to basically check major accidents involving deaths and injuries, greatly reduce the number of general accidents involving deaths and injuries, and markedly increase the rate of those who have passed the test allowing maximum density of dust and poisonous elements. Mines and transportation, as well as fire, dust, and poison prevention should remain the focus of this year's safety work.

The "opinion" pointed out: To accomplish the goals of production safety this year, it is necessary to resolutely carry out the following measures:

First, leaders at all levels should earnestly implement the principle of "putting safety above anything else and focusing on prevention.

Second, safety measures should be reinforced in production.

Third, factories, mines, and enterprises should step up the construction of safety facilities.

Fourth, safety management should be intensified, and violations of regulations and operations by those in authority should be strictly forbidden.

Fifth, safety education and technical training for new workers and those who have changed jobs should be conducted according to the regulation.

Sixth, it is necessary to organize an effective investigation team to duly handle a number of grave accidents to arouse the attention of various quarters and educate cadres and people.

ZHANG JINGFU ADDRESSES PRODUCTION SAFETY MEETING

OW290207 Beijing XINHUA Domestic Service in Chinese 1525 GMT 26 Mar 86

[By reporter Zhang Jinsheng]

[Excerpts] Beijing, 26 Mar (XINHUA) -- According to an announcement of the fifth enlarged plenary session of the national production safety committee, to ensure a good beginning in the first year of the Seventh 5-Year Plan, effectively lower the number of casualties in production and reduce occupational hazards, the national production safety committee will dispatch six inspection groups to inspect production safety in some regions at the end of this month.

The enlarged session, which opened today, pointed out: Thanks to the impetus of economic reform, the situation of the nation's economic development has been good. Authorities concerned, however, should pay great attention to the situation of production safety, which is highly incongruous with the current new situation. Statistics show that the number of people injured or killed in accidents in the industrial, communications, and construction sectors in 1985 was higher than that in 1984, and major accidents were frequent. Occurrences of occupational diseases also increase. The situation in the first quarter of this year is also unsatisfactory.

Zhang Jingfu, state councillor and chairman of the national production safety committee, addressed the meeting, which he also chaired. He said: The party Central Committee and the State Council have always attached great importance to production safety. We must realize the importance of production safety, improve the safety system, and implement the safety measures. The inspection of production safety is an important measure for changing the inert situation in that area. We must seriously investigate the causes of accidents and see whether safety measures are included in production plans, and whether precautionary measures against hazards are specified in economic and technical policies. All regions and departments must also take similar measures to improve production safety.

WANG YUZHAO BACKS ANHUI AUDITING PRACTICE

OW290447 Hefei Anhui Provincial Service in Mandarin 1100 GMT 20 Mar 86

[Excerpts] The Organization Department of the Anhui Provincial CPC Committee, the provincial economic commission, the provincial personnel bureau, and the provincial auditing bureau recently issued a joint circular calling on the auditing bureaus in all parts of Anhui Province to audit the books of large and medium-sized state enterprises before any principal responsible administrative persons of the enterprises are transferred from their posts.

The pre-transfer auditing practice is a useful experiment that has been affirmed by the leading comrades of the State Council, the Auditing Administration, and the Organization Department of the CPC Central Committee.

In his speech at an Anhui provincial auditing work meeting, Governor Wang Yuzhao also urged all localities to popularize the practice.

FUJIAN TO STEP UP STRUGGLE AGAINST CRIME

OW311142 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 29 Mar 86

[Excerpts] The Fujian provincial meeting on the work of the public security, the procuratorate, and the judiciary was held in Fuzhou from 25 to 29 March. The meeting conveyed the guidelines of the national meeting on the work of the public security, the procuratorate, and the judiciary and studied and made arrangements for such work in our province in 1986.

The meeting said that the guidelines and the general requirement of the work of the public security, the procuratorate, and the judiciary in our province this year were to strike a severe blow at the serious criminal and economic offenses, resolutely prohibit and stop the various ugly practices that harm the social ethics, and fully implement the various measures for the comprehensive treatment of social order in order to render even better service to the economic restructuring and the building of two civilizations.

The meeting held that social order in our province has taken a marked turn for the better since we began the campaign to strike severe blows against criminal activities. However, we are currently facing new problems in social order. In the course of economic restructuring, opening to the outside world, and invigoration of the domestic economy, economic crime soared, cases of violent crime increased, and repugnant social phenomena resurfaced.

The meeting proposed that for these reasons, the struggle to strike severe blows at criminal offenses must be continued this year. The quickest and heaviest possible punishment must be meted out according to law to serious criminals who endanger the people's lives and disrupt the social order such as murders, arsonists, people who bomb, rapists, robbers, and hoodlums. All repugnant phenomena that seriously pollute the social atmosphere must be resolutely banned and stopped.

Regarding the struggle against economic crimes, the meeting said: Party committees and governments at all levels must strengthen their leadership. Public security organs, procuratorates, courts, and judicial departments at all levels must closely coordinate and cooperate with and support each other. Anyone involved in economic offenses must be investigated and punished regardless who he is.

Jia Qinglin, deputy secretary of the Fujian Provincial CPC Committee, spoke to the meeting.

He stressed that strengthening socialist democracy and the legal system is the fundamental guarantee for perfecting the socialist system, promoting spiritual and material civilization, and bringing about long-lasting peace and stability in our country.

HAN PEIXIN ADDRESSES JIANGSU ECONOMIC FORUM

OW290443 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 22 Mar 86

[Excerpts] A provisional conference on planned economic work successfully concluded today after 7 days in session. The conference asked the whole province to get mobilized and work in concert to ensure stable economic growth this year.

In his summing up report to the conference, Secretary Han Peixin of the provincial party committee dialectically and realistically analyzed the current economic situation. He said: The question of speed needs to be brought up in analyzing the current situation. We should correctly realize that our industrial growth in both January and February was slow. The main objective causes were shortages of electric power, funds, and raw materials, big market fluctuations, and the stockpiling of certain products. The subjective causes were the lack of a comprehensive understanding of speed and our inadequate efforts. We must not take these causes lightly and continue to act carelessly. Neither should we become panic-stricken and blame subordinates. Still less should we return to our past one-sided approach of pursuing only output. We must try to achieve growth while raising the social and economic benefits and maintaining the current level of capital investment, loans and credit, foreign exchange, and consumption funds.

Comrade Han Peixin pointed out: To carry out our economic tasks, we must continue our reform, earnestly strengthen ideological-political work, push forward party rectification, and arouse the initiative of all quarters.

Governor Gu Xiulian also spoke at the closing session. She urged all localities to work out measures suitable to the local conditions and realistically carry out the guidelines of the conference in practical work.

JIANGXI'S WAN SHAOFEN ON JOBS FOR GRADUATES

OW290451 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Mar 86

[Excerpts] The provincial party committee and the provincial people's government dispatched 7 work teams led by cadres at the department or bureau level to visit students from Jiangxi Province studying at 139 institutes of higher learning in 22 provinces and municipalities and to invite them to come back to work in Jiangxi after completing their studies.

After hearing briefings by the work teams on 1 March, Comrade Wan Shaofen, secretary of the provincial party committee, summoned responsible comrades of the provincial party committee's office and organization and propaganda departments, the provincial government's office, the planning commission, the scientific and technological commission, the education department, the labor and personnel department, and the Nanchang City party committee to study concrete measures together regarding this matter.

Comrade Wang Shaofen called on all localities and departments to attach great importance to employing talented personnel. Leading comrades should take personal charge in attracting, employing, and utilizing talented personnel and strive to invite more college graduates from Jiangxi to come back to their hometowns to join in construction.

SICHUAN TAKES MEASURES TO SOLVE PETROLEUM SHORTAGE

HK290643 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 26 Mar 86

[Text] According to XINXI BAO [INFORMATION JOURNAL], the provincial government has recently decided to adopt emergency measures for solving the shortage of petroleum. It urged all localities and departments to seriously implement them.

Any place which has access to natural gas must greatly develop these energy resources for back up purposes. These places should try their best to cut back their demand for petroleum.

Provided that the conditions are available, public vehicles and buses running on short-distance routes should quickly switch their source of energy to natural gas. All localities should give priority to automobiles when supplying natural gas. Other localities should try to create conditions for supplying natural gas, alcohol and formaldehyde as back-up energy resources. We must give diesel fuel priority to the peasants for the purposes of irrigation and transporting necessary goods. Whenever the conditions permit, we should try to transport goods to distant places by rail and water. Also, if possible, we should transport goods to nearby places by man or animal power rather than automobiles.

In connection with the nature of their tasks and the annual assigned quota of petroleum, all localities and departments should make appropriate arrangements for the use of petroleum and introduce a responsibility system in this respect. We should properly control the use of petroleum by taxis. We should strengthen market supervision and strictly ban the speculation in petroleum. The automobile management offices at all levels must coordinate with the transport and petroleum departments. They should scrap old gas-guzzling automobiles.

YANG RUDAI ADDRESSES SICHUAN PUBLISHING UNITS

HK281051 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Mar 86

[Text] Yesterday [25 March], Yang Rudai, secretary of the provincial CPC Committee, said to some 100 comrades of news publishing units and of publications of literature theory: Unhealthy trends must be resolutely curbed and the production and exchange of commodities normally carried out. When some places and departments are correcting party style, they dare not engage in the production and circulation of commodities. This is wrong.

Comrade Yang Rudai said: In the course of correcting party style, we must grasp the problems generally existing; solve the problem of liberalism in the sphere of politics, of individualism in ideology, and the problems of bureaucratism in work; and arouse our enthusiasm. Leading cadres must go down, find, study, and solve problems vigorously and on their own initiative; and strive to develop the excellent situation.

Comrade Rudai also stated his views on how our province can do well in grasping the work in the first year of the Seventh 5-Year Plan and on the current situation in production and reform.

XIZANG'S WU JINGHUA SPEAKS AT TOURISM MEETING

HK261601 Lhasa Xizang Regional Service in Mandarin 1130 GMT 25 Mar 86

[Excerpts] The regional meeting on tourism work opened in Lhasa on 25 March. Some 100 representatives are attending this meeting. Leading comrades of the regional party and government, including Wu Jinghua and Doje Cering, attended the opening ceremony. Doje Cering and Wu Jinghua delivered important speeches one after the other.

In his speech, Comrade Doje Cering said: This meeting on tourism work held by the regional people's government is the first meeting as well as a regionwide meeting, to completely study and solve the problems of tourism work in Xizang. He said: To do a good job in tourism, it is necessary to first solve the problem of understanding. Xizang abounds in tourism resources. Leading comrades of the central authorities have given instructions on many occasions on developing tourism work in Xizang. Therefore, we must clearly understand the status and role of Xizang's tourism work, understand its strategic role, and create a new situation in developing tourism in Xizang.

Comrade Doje Cering said: The enlarged meeting held by the regional CPC Committee Standing Committee last year put forward the target of struggle -- going further in negating the Cultural Revolution, in eliminating leftist ideological influence, and in straightening out the ideological line, and basing everything on Xizang's realities, doing everything to develop the productive forces, and doing everything for the well-being of the people of Xizang. Xizang's tourism work is a pillar of its economic development. When tourism work is done well, we can promote the development of the communications, transport, and food processing trades, commerce, and the nationality handicraft industry. Therefore, we must lay a good foundation this year and, at the same time, do well in grasping other work related to tourism work, as well as reception work, so that Xizang's tourism work will undergo relatively great development.

In his speech, Comrade Wu Jinghua laid stress on the problem of understanding. He said: We must further deepen our understanding of tourism work, as well as Xizang work. Comrade Wu Jinghua said: If we want to promote Xizang's economy, we must regard tourism work as the central work. It can then be said that we proceed from Xizang's realities. When tourism work is done well, we can not only bring along other economic work but also open our region, which was in a closed or semiclosed state over a long period of time, and promote cultural exchanges and scientific and technological contacts between Xizang and the interior and the peoples of all countries in the world. Therefore, we must unify our thinking and understanding and try in every possible way to grasp Xizang's tourism work in a down-to-earth manner and to the end.

Representatives of the Economic Advisory Group of the State Council, China International Travel Service, China Travel Service, and China Youth Travel Service are also attending the meeting.

At the meeting, (Li Guangbi), assistant chief manager of the regional tourism corporation, also conveyed the spirit of the national conference on tourism work.

BEIJING OFFICIALS GET JAIL SENTENCES FOR CORRUPTION

HK310416 Beijing CHINA DAILY in English 31 Mar 86 p 3

[Text] Seven Beijing cadres, including the former head of the city's Public Utility Bureau and five officials of the Beijing Gas Company, have been sentenced to jail terms ranging from three to 15 years by the Beijing Intermediate People's Court 15 years on corruption charges.

More than 400 people attended the open trial on Saturday afternoon held at the Beijing court in the East City District.

Ma Shuiliang, former director of the Public Utility Bureau, was charged with taking bribes totalling 6,300 yuan (\$2,000), pocketing a colour TV set and an electronic organ -- which he bought in Japan with public funds -- and dereliction of duty that caused the State to lose more than four million yuan (\$1.25 million). He received a six-year jail term.

Huang Yuqian, former party secretary of the Beijing Gas Company's pipeline agency, was charged with pocketing more than 23,000 yuan (\$7,200) of public funds and taking bribes of more than 2,000 yuan. He was jailed for 15 years.

The former manager of the Beijing Gas Company, Zhang Shengyuan, was jailed for 11 years on charges of embezzling 4,000 yuan (\$1,200), illegally securing a colour TV set and an electronic organ, taking bribes totalling more than 10,000 yuan (\$3,100) and dereliction of duty.

Liang Guoan, the gas company's pipeline agency director, was jailed for 10 years on charges of embezzling 18,000 yuan (\$5,300) and taking a bribe of 1,200 yuan (\$370).

Tian Wenbo, the gas pipeline agency's operation chief, was jailed for 12 years for embezzling and taking bribes totalling 20,000 yuan (\$6,200). Zhao Yuhai, the agency's Party official, got a 11-year jail term for taking bribes totalling more than 30,000 yuan (\$9,000).

The last of the seven jailed, Guo Shengfu, agency's deputy operation chief, got the shortest sentence -- three years on similar charges involving 8,000 yuan (\$2,300) in ill-gotten funds.

Zhang Guobin, an eighth person in the case, was released by the court for "good behavior and cooperation with the judicial authorities", according to BEIJING DAILY. Zhang had already returned the embezzled 9,200 yuan (\$2,800), the court said.

BEIJING OFFICIAL ON HANDLING ECONOMIC CRIMES

SK310856 Beijing BEIJING RIBAO in Chinese 17 Mar 86 p 2

[Text] In his report on the situation of work to seriously deal blows to economic crimes to the 27th Standing Committee meeting of the 8th municipal People's Congress on 4 March, He Fangbo, acting chief procurator of the municipal People's Procuratorate, called for efforts to firmly crush the arrogance of economic criminals in the coming year or so.

He said. While never ignoring the work of dealing blows to criminal offenses, procuratorial organs at all levels have regarded the work of dealing blows to economic crimes as a major task and have vigorously strengthened the investigations into economic crimes.

The 1985 figure for economic criminal cases which were placed on file for investigation showed an increase of 220 percent over that of 1984. Of this, the number of major and appalling cases was 11 times the 1984 figure. Economic losses worth more than 25 million yuan were retrieved for the state and the collectives. In view of the situation of the units and individuals involved in these cases, we found that progress was made in both the range and quality of the struggle against serious economic crimes.

He said: The characteristics of the current economic criminal activities are as follows: First, some state organs, mass organizations, and state-owned and collectively-owned enterprises and establishments flaunted the banner of "carrying out reform" and "enlivening the economy" to indulge in illegal business for the interests of small groups -- in reality, for private ends. Some turned state property into collective property and then privately divided it among themselves under all sorts of pretexts. Some responsible persons and persons involved in these activities lined their pockets by doing so. Second, some "companies" and "centers" without funds, sources of goods, fixed employees, working places, equipment, or financial and management systems engaged in speculation and profiteering by making fake contracts or not honoring contracts. Third, some persons from different trades and from different areas ganged up together, some even acting in collaboration with foreign businessmen, to engage in criminal activities. Fourth, some persons with bad or previous criminal records were placed in important positions for being mistaken for "able persons" and "the god of wealth." Thus, they rampantly engaged in economic criminal activities. Fifth, cadres engaged in economic criminal activities. More and more cadres committed economic crimes.

BEIJING RADIO ON EXTRAVAGANT WINING, DINING

SK310938 Beijing City Service in Mandarin 1000 GMT 17 Mar 86

[Text] Fellow listeners: The CPC Central Committee has issued repeated injunctions strictly banning the practice of using public funds to give banquets and gifts and to indulge in extravagant wining and dining. Some units and some leading comrades, however, have turned a deaf ear to the repeated injunctions of the central authorities, and have stuck to their old way of doing things. We must strictly investigate and deal with those acts in defiance of the organization and discipline.

Such acts as indulging in extravagance and waste and giving banquets and gifts run counter to socialist spiritual civilization. They not only cause losses to the state and the people, but also seriously damage the reputation of the party, as well as party style and social conduct. Such corrosive acts have been bitterly hated by the large number of the masses. Why do these acts continue to take place after the issuance of the repeated injunctions of the central authorities? There are many reasons. A very important reason is that some cadres have lacked an understanding of the seriousness and harmfulness of such acts. They have erroneously maintained that extravagant wining and dining is a minor matter which should not be regarded as a mistake; and without giving banquets and gifts, things cannot be done well. They do not understand that indulging in extravagant wining and dining and giving banquets and gifts are an expression of a corrosive bourgeois work style, nor do they know that extravagant wining and dining will unconsciously destroy the fine tradition of our party and the flesh-and-blood ties between the party and the masses.

To eliminate such corrosive situations, we must conscientiously implement the relevant stipulations of the central authorities and mobilize the whole party to conduct supervision over the practice of arbitrarily using public funds to give banquets and gifts.

Once inappropriate actions come to light, they should be corrected immediately without any tolerance.

TIANJIN MEETING ON STRUGGLE AGAINST ECONOMIC CRIMES

SK310948 Tianjin TIANJIN RIBAO in Chinese 19 Mar 86 p 1

[Text] On the morning of 18 March, the municipal Discipline Inspection Commission and the municipal Commission on Political Science and Law held a conference with the participation of responsible persons from the districts, counties, bureaus, companies, and key plants. The conference made concrete arrangements for further dealing blows to serious economic crimes.

At present a good trend in struggle against serious economic crimes throughout the municipality has taken shape by actively launching an attack and making a breakthrough in succession with major or serious cases. However, activities violating the law are still serious. This has shown that our municipality has not achieved even development in the struggle against serious economic crimes, and that in some departments and localities the phenomena still exists in which the work of investigating and dealing with serious economic cases has not been grasped firmly and the attack on them has not been carried out effectively.

The conference urged leading personnel of party and government organs at all levels to unswervingly implement the guideline issued by the CPC Central Committee with regard to "grasping construction on the one hand and legal systems on the other hand," to adopt resolute measures, and to vigorously make up their mind in dealing strict blows to serious economic crimes in order to strive to puncture the arrogance of economic crimes within 1 or 2 years.

Lu Xuezheng, vice mayor of the municipality, attended the conference and delivered a speech. He pointed out: At present efforts should be made to regard the task of dealing strict blows to economic crimes as an important work item, to firmly conduct investigations and deal with major and serious cases, to thoroughly deal with the cases involving huge sums of illegal gains and profits and with serious offenses, to thoroughly conduct investigations into the cases no matter how complicated they are and what organs and which cadres are involved in them, and to deal with them seriously in line with the law. More efforts should be made to firmly investigate and deal with the cases involving more children of leading cadres and the cases that have involved more leading cadres and noted figures. We should persistently follow the principle of dealing sure, accurate, and relentless blows to these crimes, give priority to dealing "accurate" blows to them, and should integrate the task of dealing blows to them with the work of conducting criminal prevention and with that of publicizing the legal system. Efforts should be made to make use of positive and negative typical cases in conducting education on the "four have's" among cadres, staff members, and workers in order to upgrade their ability to consciously resist the influence of bourgeois ideology. We should discover leading personnel who are to blame for the cases in which units have ineffective leadership and have refused to conduct investigation and examination, and should strictly deal with those who have sought private gain by violating the law and have harbored or shielded criminal elements.

Attending the conference were responsible persons from the municipal CPC Committee and the municipal people's government.

TIANJIN BRINGS CONVICTS TO PUBLIC TRIAL

SK010721 Tianjin TIANJIN RIBAO in Chinese 19 Mar 86 p 1

[Text] On 18 March, 13 convicts who had committed serious economic crimes or had neglected their duties were escorted onto the trial platform for an open trial held by the municipal Intermediate People's Court.

Wang Cunshan, president of the municipal Intermediate People's Court, presided over the open trial. In line with the law, the court sentenced Zhang Zhixin, former chief of the general section of the administrative department under the electric machinery equipment company of the municipal Material Supply Bureau, and Xie Dalai, deputy chief of the general section, to 1 and 1/2 years in prison on charges of receiving bribes by taking advantage of their power. The court sentenced He Zhike, former manager of the Baihua Department Store, to 3 and 1/2 years in prison; Li Xinqiu, clerk of the store, to 5 years in prison; and Qiao Qiusheng, clerk of the store, to 10 years in prison; on charges of illegally obtaining and embezzling a huge sum of money. The court sentenced Mu Ping, former clerk of the municipal branch of the China National Machinery Import and Export Corporation, to life in prison on charges of seeking bribes from foreign businessmen by taking advantage of his power and bringing serious losses to the state economy. In line with the law, the court sentenced Lu Youquan, former worker of the electric machinery and installation company, to 13 years in prison; and Liu Yougong, peasant of Taiping village in Wuqing County, to 5 years in prison; on charges of embezzling a huge sum of public funds by illegally selling public goods and collaborating with outside units. The court sentenced Yu Peilin (jobless) and Zheng Fuxiang to 2 years in prison on charges of swindling and speculation and profiteering by operating an agency involved in selling products in short supply and reselling motor vehicles. The court sentenced Li Enjiang, former deputy manager of the third sales section under the first friendship department store, to 1 year in prison term; and Cai Lijun, member of the plant public security team, to 3 years in prison; on charges of causing a 60,000 yuan loss to state property by neglecting their duty and giving an opportunity to criminals.

At the open trial, the court announced its first-trial decision on the cases involving 12 persons. If the defendants do not admit that they are guilty, they can appeal to the municipal higher People's Court within 10 days of the written decision.

At the open trial, the court also announced its final decision of capital punishment on robber convict Sun Xiangjun, who was immediately executed on 18 March (whose case on stealing expensive and important goods and articles from the first friendship department store was published by TIANJIN RIBAO).

NINGXIA WRITER DEFENDS CONTROVERSIAL NOVEL

OW271029 Beijing XINHUA in English 0909 GMT 27 Mar 86

[Text] Yinchuan, March 27 (XINHUA) -- Zhang Xianliang, who has written a controversial novel, said here today that there are no restrictions at all on what he wants to write.

"Of course, writers must be responsible for the social effects of their works and must not have pernicious works published," said Zhang, 50, who is the president of the writers association of the Ningxia Hui Autonomous Region. "I'm going to start writing a new novel about China's reforms in the second half of this year," said Zhang. He said that he planned to write a novel about the work and life of intellectuals every two years.

Senior Chinese Communist Party leader Hu Qili has told the party and government to guarantee writers' freedom of literary creation and freedom of literary criticism.

Zhang's controversial novel entitled, "A Woman Is Half of a Man", published in October, last year, tells how a college graduate persecuted during the 1966-76 "Cultural Revolution" falls in love with a rural woman, cohabits with her and finally leaves her.

The work provoked a storm of controversy when it appeared. Letters from readers, carried in the "BEIJING DAILY", criticized the novel for "having committed a grave mistake in literature" and "having produced adverse social effects". They agreed that the novel's sexual descriptions only suited vulgar tastes. "As a woman, I can't tolerate the descriptions of sex in the novel," said writer Wei Junyi in an article in the "LITERARY GAZETTE". She is of the opinion that the novel describes women only as sex symbols, which poses an insult to human beings.

Meanwhile, other readers aired the view in newspapers that the novel exposes the damage done to human nature by the remnants of feudal attitudes during the "Cultural Revolution".

Zhang Xianliang, who himself was persecuted during the "Cultural Revolution", said, "literary criticism is normal because it reflects the vigor of literary creation and writers' creative freedom. Different views on literary works will promote literature and social progress," he added. "In my opinion, it is not a good thing when a work provokes no response from society after it is published," said Zhang, three of whose have won top national prizes since 1980. He said he welcomed all sorts of criticism, adding, "I was serious in writing the novel and I believe my novel can stand the test of the times and history."

YIN KESHENG SPEAKS AT QINGHAI ECONOMIC CONFERENCE

HK280159 Xining Qinghai Provincial Service in Mandarin 2330 GMT 27 Mar 86

[Excerpts] The provincial economic work conference has called on the party and government departments to persevere in reform, do their work in a practical way, and spur the sustained and steady development of the urban and rural economy.

This conference, jointly convened by the provincial CPC Committee and government, conveyed and implemented the spirit of relevant central meetings and the spirit of the fifth enlarged plenary session of the sixth provincial CPC Committee. It made arrangements for economic and rural work this year and studied and readjusted a number of economic policies, methods, and measures.

Provincial CPC Committee Secretary Yin Kesheng and Deputy Secretaries Song Ruixiang and Liu Feng attended the conference and made speeches.

Comrade Yin Kesheng said: As a result of the fifth enlarged plenary session of the sixth provincial CPC Committee and this provincial economic work conference, the whole party has a clearer idea of the importance of grasping economic work, and the tasks and measures have been made more explicit. The current problem is that we must unify our thinking, do our work in a practical way, and truly implement the spirit of the conference well, so as to create a new situation in economic work in Qinghai.

Comrade Yin Kesheng pointed out that the most fundamental thing in unifying people's thinking is to bring the thinking of the cadres and masses into line with the CPC Central Committee's line, principles, and policies. As far as doing work in a thoroughly practical way is concerned, we require that the cadres at all levels, especially the leading cadres, have the spirit of uttering less empty talks and doing more practical things. They must have the spirit of facing the grass roots and providing good service.

Comrade Yin Kesheng gave the following views: 1) We must rely on policies to invigorate the economy. 2) We must rely on good economic results to lay the foundation for economic development. 3) We must rely on service work to stimulate economic development. 4) We must rely on ideological and political work to ensure the correct orientation of economic construction.

Comrade Yin Kesheng pointed out that it is a fact that at present certain cadres, staff, and workers look for money in everything instead of stressing the overall situation and comparing each other's contributions. This idea has even penetrated into their business activities. Some areas, departments, and units are often stretching out their hands for assistance and doing little to rely on their own efforts. They indulge in bargaining and haggling when they are assigned tasks, simply laying stress on the difficulties. We must pay attention to guarding against and correcting these abnormalities.

Through carrying out effective ideological and political work, we should fully mobilize the positive factors of all sectors and stimulate the cadres and masses to display the spirit of struggling hard amid difficulties.

SHAANXI OFFICIAL JAILED FOR FALSE ACCUSATION

HK280337 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 27 Mar 86

[Excerpts] (Di Bingcheng), former deputy section head in the fire-fighting office of the provincial public security department, made false accusations against and framed others, causing serious consequences. Under the personal concern and urging of a responsible comrade of the provincial CPC Committee, the departments concerned have unearthed the facts of (Di Bingcheng's) crime. On 10 March, the people's court of Lianhu District in Xian City sentenced (Di) to 3 years in jail for the crime of making a false accusation. Two others with responsibility in the case have been disciplined by the party and government.

The provincial CPC Committee issued a notice to all party organizations on 27 March, demanding that the party-member cadres and the political and legal cadres and policemen regard the case as an example of education by negative example, seriously sum up its experiences and lessons, and resolutely curb the malpractice of laying false charges against others.

In 1982, a dispute developed between (Di Bingcheng) and (Yang Dongyun), manager of the Xian Beiguan District battery plant, over problems of environmental pollution at the plant. To attain his personal aims, (Di Bingcheng) started in November 1983 to lay false charges against (Yang Dongyun) and to frame him. In March 1984, (Di) personally compiled some exposure material fabricating charges against (Yang Dongyun). (Di) said that the evidence against (Yang) was ironclad, there was plenty of circumstantial evidence also. He demanded that the public security organs severely punish (Yang Dongyun).

(Di) also took advantage of his standing as a public security cadre and made use of improper relationships to instruct the people's police to keep (Yang's) movements under surveillance.

Due to the false case fabricated by (Di Bingcheng), plus serious bureaucratism and extreme lack of responsibility in work in the departments concerned, distinctions between [words indistinct] were blurred, and (Yang Dongyun) was sentenced to 3 years' education through labor in August 1984.

In July 1985, when the principal responsible comrade of the provincial CPC Committee received a letter of appeal from (Yang Dongyun), he demanded that the departments concerned clarify the proceedings and the whys and wherefores of the case. The provincial and city political and legal departments organized a work group to carry out a serious reexamination of the case. In the end (Yang Dongyun) was rehabilitated and the verdict on him corrected. (Di Bingcheng), who had made false accusations, was punished as he deserved.

SHAANXI READJUSTS GRAIN PROCUREMENT POLICIES

HK280241 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 27 Mar 86

[Excerpts] Shaanxi is readjusting the grain purchase and sales policies this year in order to further perfect the grain contract purchase system. The main aspects of the readjustment are that the contract purchase quota is reduced and the amount to be purchased at negotiated prices is to be increased, contractual management methods are to be instituted for grain purchase, sales, and allocation, handling charges are to be increased for grain shipments, and grain is to be linked to chemical fertilizer.

Following the readjustment, the province's grain contract purchase quota for the year is to be reduced compared with last year, while the amount of grain to be purchased at negotiated prices by agencies commissioned by the state is to be increased.

As a result of this policy readjustment, the enthusiasm of the peasants for producing and selling grain can be protected and encouraged.

Beginning this year, the provincial authorities will institute contractual management for all prefectures and cities for grain purchase, sales, and shipments. Grain purchase and sales quotas are to be firmed up for all prefectures, cities, and counties, and decision-making powers are to be delegated to the prefectures and cities.

Prefectures, cities, and counties can gain more economic income for purchasing grain in excess of the contract and negotiated price purchase quotas.

To ensure that areas shipping grain elsewhere do not suffer loss, beginning this year the state is increasing handling charges for grain shipments. This will be done in a unified way.

The state will award high-quality chemical fertilizer at par to peasant households and agricultural production units that sign grain purchase contracts, and will also give them priority in agricultural loans.

XINJIANG COMMENTARY ON IMPROVING PARTY STYLE

HK270839 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 23 Mar 86

[Station commentary; "Dare To Tackle Tough Problems in Improving Party Style"]

[Excerpt] The importance of improving party style has been discussed frequently over the years. Now, the cadres and masses urgently require party organizations at all levels to fulfill their worlds. They should dare to tackle tough problems and really handle cases where people have engaged in malpractices and violated the law and discipline.

Following the 3d Plenary Session of the 11th CPC Central Committee, our party style has really undergone a great change. However, unhealthy tendencies and corrupt practices, which have been complained about frequently by the masses, still exist. Why is it that some people turn a deaf ear to the repeated injunctions of the central authorities? Why is it that some unhealthy tendencies become more, instead of less, serious.

There are many reasons for this situation when judged from the objective viewpoint. It is just as the CPC Central Committee pointed out, however. Over a long period of time some of our leading organs and leading cadres did not dare handle problems concerning unhealthy tendencies. Second, they spoke a lot about it but did little practical work. Therefore, unhealthy tendencies could easily spread.

This has exposed the crux of the problem. Facts have shown that it is impossible to quickly promote a fundamental change for the better in party style: If we only chant the slogan of improving party style but do little work or are not brave enough to tackle tough problems; if we are not determined to deal with the people and cases that involve unhealthy tendencies and violations of law and discipline; and if we do not educate the cadres and people who engage in malpractices.

At present, the CPC Central Committee is determined to carry out this work and, in addition, it promptly implemented it. Following a recent rally held in Beijing, the CPC Central Committee handled a number of cases immediately, and punished some cadres at the middle and senior ranks. This shows that the party takes a serious attitude toward party style and advocates practical work. Under these circumstances, leading cadres at all levels must dispel their worries and be bold in tackling tough problems, so as to make their proper contributions to improving party style.

APPEALS FOR CHANGE REPORTED AT KMT MEETING

HK310721 Beijing ZHONGGUO XINWEN SHE in Chinese 0358 GMT 27 Mar 86

[Commentary by reporter Wang Jie: "A Wave of Appeals For Change Surges High on the Eve of the 3d Plenary Session of the 12th KMT Central Committee"]

[Text] Beijing, 27 Mar (ZHONGGUO XINWEN SHE) -- The 3d Plenary Session of the 12th KMT Central Committee will be held in Taipei on 29 March. Over the past 6 months or so public opinion inside and outside the island has urged the KMT to change over to new ways. This has now gained impetus. Members of the legislative branch jointly addressed inquiries, scholars held meetings, and newspapers and periodicals published relevant articles. They have voiced opinions one after another. The most powerful voice they have raised is to urge the authorities to change their policy toward the mainland.

Public opinion in Taiwan has maintained that the KMT's "3d Plenary Session" will be held under "unprecedentedly difficult conditions." The political situation is "dangerous and very difficult," economic development is "fluctuating," and public order in society has "increasingly deteriorated." Diplomatically, Taiwan is "increasingly isolated." Under such circumstances, men of insight, inside and outside the island, have given forthright admonitions one after another, and earnestly hope that the KMT will discuss "matters of primary importance on reforms" at the session, so that Taiwan can "extricate itself from a difficult position, and open up a new path." Just as Taiwan's CHUNG-KUO SHIH-PAO [CHINA TIMES] has pointed out, people hope that the KMT will "truly review what happened in the past, correct mistakes, overcome defects, work out major plans for the future, gain instant results, and put the plans into effect."

The appeal for changes presented by the masses has involved a wide series of important questions, including key political guiding principles, specific policies, or even certain conservative and outmoded "concepts." Taiwan's MING-CHUNG JIH-PAO has repeatedly published editorials, putting forward proposals to the third plenary session for "four changes" in policy toward the mainland. These four changes include a change in implementing "policy" toward the mainland, a change in the method of "study;" a change in the island's propaganda and "education" concerning the mainland; and a change in "attitude" toward the mainland. While expounding the necessity of change, the editorials point out that after the implementation of the policy of opening to the outside world, "everything is changing" on the mainland, and Taiwan is the first to be "affected" by such "changes." The editorials emphasize: "If we stand still and refuse to make progress, or think that we can remain the same despite all the changes, the consequences will be too ghastly to contemplate." They also maintain that with regard to our "methods" of studying the mainland, we should change previous measures of "paying too much attention to the inside of things," so that we can avoid overestimating ourselves and underestimating the mainland. Otherwise, there will be "a great deviation in our policy decisions." Besides, we should overcome the previous "morbid fear of communism." We should "allow our people to visit the mainland," and "never fear what happens on the mainland."

We are now in an era of development and change. The mainland is changing, and so is the situation in the straits, and the common aspiration of the people on the island. The policy of opening to the outside world implemented by the mainland has produced great influence across the world. Some international figures maintain that "thanks to the policy of opening to the outside world, the mainland has become enlightened and progressive, and is full of vitality." This has substantially promoted its economy, trade, cultural exchanges, and tourism. There's no denying the fact that the policy of opening to the outside world has also exerted influence over Taiwan, and attracted Taiwan's industrialists and businessmen.

Some scholars are optimistic about the economic structural reform on the mainland, and believe that the "mainland will become systemized and stable" as a result of reform, and that reform will "bring about the development of production and construction, and the enhancement of people's living standards." They also believe that if the present situation continues to develop over a long period of time, "both sides of the straits will gradually trust each other, and narrow their gaps," and that "this will produce the practical result of scoring successes when conditions are ripe with regard to the problem of peaceful reunification." Some other scholars have pointed out practically that the reform on the mainland has constituted a "severe test of peaceful reunification" to the Taiwan authorities.

With regard to foreign relations, Taiwan is also facing the same severe test. Latin American countries which were formerly in the "diplomatic stronghold," have abandoned Taiwan one after another, and some partners in Asia are also intending to "drift away." Even some "old friends" in the United States are changing their attitude. People throughout the island show their concern for and are sensitive to this matter. Official circles are in constant fear, whereas scholars discuss the issue one after another. Some people think that "vitally important changes" have taken place in U.S. policy toward Taiwan. Instead of "hating the CPC," the United States is "becoming friendly to it." It has regarded Taiwan as a "stumbling block" rather than an "ally." Some other people point out that it is "not easy for Taiwan to maintain its present relations with the United States," unless it changes its "basic policy." Therefore, people urge the Taiwan authorities to "work out a rational policy toward the mainland."

In the face of an ever changing reality, the Taiwan authorities have still persisted in their rigid policy. Recently, some concerned leaders have reiterated that the policy of "three-nots" will remain unchanged. Furthermore, they put forward the "principle of four no-changes." That is, the "nationalist system" and "opposing communism" will remain unchanged, and there will be no compromise with the CPC, and so on. Their purpose in doing so is perhaps to set the tone for the "third plenary session," or to blot out the voices appealing for change, which have become increasingly loud.

Nevertheless, people do not neglect some facts which have happened on the island. For example, they know about the "pattern of Olympic Games," and "non-interference in entrepot trade" and so on. In addition, the authorities seem to turn a blind eye to certain contacts between relatives from both sides of the straits. Of course, such insignificant flexibility does not conform with what the situation and popular feelings have demanded. However, one point is, at least, clear: In such a changing situation, the KMT cannot but readjust its steps.

Nothing in the world remains unchanged. There are various kinds of things in the world. Change is absolute, whereas no change is relative. Society, life, and nature are always changing. It is only the KMT which sings the song of "no change," and states that it will "stand still despite all changes." The main theme of the "third plenary session" this time is to "inherit the past and usher in the future, and open up a bright future for the state." At present, things in the world are changing, and people do desire a change. If everything "remains unchanged," how will Taiwan open up its "bright future?" If everything "remains unchanged," how can the KMT protect itself and retain its position? A doctor of philosophy in Taiwan told the KMT: "History has repeatedly proven that in the face of a changing situation, only by blazing new trails can one find a way out. Sticking to the old ways only means bottling ourselves up." His remarks afford food for thought. The KMT should think about this seriously.

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KMT CENTRAL ADVISORY COMMITTEE HOLDS SESSION

OW311247 Taipei CNA in English 0940 GMT 31 Mar 86

[Text] Taipei, March 21 (CNA) -- The 12th Central Advisory Committee of the Kuomintang held its third conference Monday morning with Gen. Ho Ying-chin acting as chairman. The committee, consisting of 147 party leaders headed by Madame Chiang Kai-shek, discussed 17 subjects ranging from the modernization of traditional Chinese medicine to the Three Principles of the People. In the afternoon, the party's Central Committee will resume discussions on the party's work programs and hear reports on the various aspects of governmental affairs. The party meeting will adjourn late Monday afternoon after the election of a new Central Standing Committee. Most of the 31 incumbents are expected to remain in the policy-making arm of the ruling party. The few who will be replaced are likely to be those who no longer hold important government posts.

President Chiang Ching-kuo will preside over the closing ceremony of the meeting.

Elects 31 Members

OW311245 Taipei CNA in English 1025 GMT 31 Mar 86

[Text] Taipei, March 31 (CNA) -- The third plenary session of the 12th Kuomintang Central Committee Monday passed the namelist of 31 new members of the Central Standing Committee as proposed by Chairman Chiang Ching-kuo.

They are: Yen Chia-Kan, Shieh Tung-min, Lee Teng-hui, Ku Cheng-kang, Huang Shao-Ku, Yu Kuo-hwa, Nieh Wen-ya, Yuan Shou-Chen, Kao Kuei-Yuan, Shen Chang-huan, Li Kuo-ting, Wang Ti-wu, Lin Yang-kang, Yu Chi-chung, Hwang Tsun-chiu, Hung Shou-nan. Soong Chang-chih, Hau Pei-Tsun, Lee Huan, Chiu Chuang-Huan, Wu Po-hsiung, Lien Chan, Shih Chi-yang, Koo Chen-fu, Tsao Sheng-fen, Chen Li-an, Irwine W. Ho, Lin Ting-sheng, Kao Yu-jen, Hsu Shui-teh, and Clement C.P. Chang.

CHIANG CHING-KUO ADDRESSES KMT CLOSING SESSION

OW010309 Taipei CNA in English 0235 GMT 1 Apr 86

[Text] Taipei, March 31 (CNA) -- President Chiang Ching-kuo, in his capacity as chairman of the ruling Kuomintang, has called on all party members to break through adversities ahead and work out concrete measures to promote national development. Chiang made the call while presiding over the closing ceremony of the third plenum of the Kuomintang's 12th Central Committee at the Chungshan Building on Yangmingshan in suburban Taipei. Speaking to some 900 participants in the third plenum, the largest Kuomintang gathering in two years, Chiang said he hopes that Kuomintang members will do their best to pool together the strength of the Chinese people at home and abroad to jointly fight for the goal of reunifying China under the three principles of the people.

Later, Chiang asked Mah Soo-lay to read a message on his behalf. In this message entitled "A New Milestone to Victory," Chiang said first of all, he would like to express his sincere gratitude to all members of the Central Committee and the Central Advisory Committee for providing many valuable suggestions to improve the Kuomintang's operations during the three-day meeting. He urged all party members to understand more about the problems at the grassroots levels and work out solutions to those problems so as to push ahead the national development.

Ideologically, Chiang said all party members should consolidate their belief that the three principles of the people, which were conceived by Dr. Sun Yat-sen based on benevolence, are superior to communism and are the best guidelines for building China into an advanced nation of the people, by the people and for the people. At last, the ruling party chairman said he hopes all party members will become more determined to follow Dr. Sun's and the late president Chiang Kai-shek's directives on national recovery and to search inside themselves for the courage to carry out all difficult tasks while the nation is striving to achieve higher goals.

Resolution Passed

OW010543 Taipei CNA in English 0241 GMT 1 Apr 86

[Text] Taipei, March 31 (CNA) -- After three days of heated discussion, the Third Plenary session of the Kuomintang's [KMT] 12th Central Committee and the Central Advisory Committee ended successfully Monday. The session opened last Saturday at the Chungshan Building on Yangminshan in suburban Taipei with the participation of nearly 900 ranking KMT officials.

Besides electing new members to the Central Standing Committee, a resolution with the theme of "reviewing the past and planning for the future to create a promising tomorrow for this nation" was approved during the three-day session. Besides praising the KMT Central Committee and the five yuans of the central government respectively for the achievements they have made in promoting party affairs and national development over the past years, the resolution also mapped out guidelines for the renovation of party affairs and government administration in the future. It emphasized that the ruling party is determined to pursue an overall renovation to help create a new vista for this nation.

The session also approved 28 proposals submitted by members of the Central Committee and Central Advisory Committee. These proposals are mostly related to the national policy on the economy and culture, education, social affairs and promotion of Chinese herbal medicine.

SPOKESMAN RULES OUT NUCLEAR ARMS DEVELOPMENT

OW010833 Taipei LIEN HO PAO in Chinese 29 Mar 86 p 1

[Text] According to a 28 March CHUNWEN SHE [MILITARY NEWS AGENCY] dispatch from Taipei, Ministry of National Defense military spokesman Major General Chang Hui-yuan has reiterated that the Sky Bow [tian gong 1131 1712] all-purpose defense missile, which was successfully launched recently, can be used in real combat. Chang Hui-yuan also emphatically pointed out: In accordance with our country's established national defense policy, we will never develop or manufacture nuclear weapons. Maj. Gen. Chang Hui-yuan solemnly made the above remarks at a military press conference today when answering questions raised by reporters concerning the Sky Bow missile and the development of nuclear weapons.

U.S. CAUTIONED AGAINST WRONG APPROACH TO ROK

OW301244 Taipei International Service in English 0200 GMT 29 Mar 86

[Station commentary]

[Text] White House spokesman Larry Speakes said Monday: The United States has urged the South Koreans to find a solution to their political problems without resorting to violence.

Commenting on reports from Seoul that some 20,000 people staged the largest antigovernment demonstration in 6 years in Pusan to press their demand for democratic reform, Speakes said: The United States has always urged reconciliation and dialogues. He added here, and we quote: We are glad the Government of Korea had allowed the meeting to take place by opponents. We certainly propose a peaceful resolution to anything and condemn violence, unquote.

The White House statement sounded like interference in the internal affairs of a sovereign state. It may also be interpreted as a warning to the government and the opposition in South Korea not to resort to violence. Whether one likes it or not, the United States cannot stay completely out of the internal politics of its free world allies because American interests are often inseparably intertwined with theirs. Therefore, the question is not whether the United States should be hands-off about the domestic affairs of its allies. Rather, it is a question of whether Washington exercises its influence judiciously.

International politics being what it is, there is no way for the United States to strictly observe the (?nicety) of non-interference. History shows that America uses its clout quite often to influence the internal politics of other nations. But, more often than not, the United States uses the wrong approach, which resulted in the great harm to the American nation as well as the countries involved.

The most notable American failure in this respect is the fall of the Chinese mainland. If Washington had not been taken in by the Chinese Communists as their fellow travelers during the 1st years of the Second World War and the immediate postwar years, and had given full support to the government of President Chiang Kai-shek, the Chinese mainland would have remained a loyal member of the democratic camp, and the threat from the Soviet Union would have been more containable.

Probably the United States has learned a lesson from its past failure. It seems to be acting more cautiously in dealing with political disputes of its allies. In the Korean case, the Chon Tu-hwan government is not certainly a paragon of democracy. But nobody can deny the fact that Seoul is fully justified to take precautionary measures in view of the threat it faces across the demilitarized zone. If the current political dispute in South Korea gets out of hand, its security would be gravely jeopardized. Neither the government nor the opposition would be the victor in such a scenario. By warning the Koreans not to resort to violence, the United States is dropping a broad hint to the Korean opposition that it cannot expect American support if they try to topple President Chon Tu-hwan by taking to the streets.

U.S. POLICY ON NICARAGUAN CONTRAS ENDORSED

OW010915 Taipei International Service in English 0200 GMT 31 Mar 86

[Station commentary]

[Text] U.S. President Ronald Reagan really believes that, if the United States does not provide assistance to the contras of Nicaragua, the Sandinistas will take over and Central America will be plunged into a communist versus anticommunist war. In that event, the Americans would not have much choice. Before the Vietnam War, which was 10,000 miles away, they lost only because they had one hand tied behind their back. Besides, the Sandinistas are not exactly on a fighting par with the North Vietnamese or even the Viet Cong. Americans could not doubt win the war in Nicaragua. However, Reagan said no dispatch of troops is contemplated. He asks only 100 million U.S. dollars to help the contras and assures Congress and American voters that this is sufficient to prevent the Soviet Union from establishing a beachhead in North America.

Regardless of the stand of Congress, President Reagan is not going to give up trying to save Nicaragua from Communism and the enemies of the United States that hope to use Central America as a beachhead. He rejects the Democratic position that the Sandinistas can be negotiated with, saying this has been tried ten times without any progress toward peace. Democrats want to try more talks and warn that, if Americans are used to train the contras, they inevitably will be drawn into conflict.

It is the memory of Vietnam that brings votes against Reagan. President Reagan has recently toned down the harshness of rhetoric addressed to the Soviet Union. At the same time, there is no doubt that his view of Communism has not changed, and that he is prepared to take a firm stand in Central America or anywhere else red aggression becomes a threat. The U.S. Congress is not necessarily opposed to controlling Communism in Central America, but has its doubt about the military feasibility of assigning this task to the contras. Other Central American republics share that feeling. Of four neighbors of Nicaragua, three or four are said to oppose sending military aid to the contras. The four are Costa Rica, El Salvador, Honduras, and Guatemala. Possibly Central American states pose no serious threat to the United States, but the Sandinistas are dedicated to the thesis that the road to victory leads to Mexico, which is an entirely different proposition.

The Republic of China is of the view that President Reagan is right about the Communist threat. Our only lack of understanding concerns his exemption of the Chinese Communists as the danger, not only to the United States, but to free Asia. There are no good and bad communists -- all are aggressors who speak the destruction of the free world. None of them can be trusted. President Reagan's stand would be more consistent if he linked Red China with the Soviet Union, as he does the Sandinistas with Castro.

FURTHER COOPERATION WITH PHILIPPINES NOTED

OW281101 Taipei CNA in English 1006 GMT 28 Mar 86

[Text] Taipei, March 28 (CNA) -- The Ministry of Foreign Affairs welcomed Friday the assignment of Joaquin Rocas Sr., former publisher of the MANILA TIMES newspaper, as the new representative to the Philippines' Asian Exchange Center in Taipei. Spokesman Cheyne C.Y. Chiu said Friday at a new conference that since the setup of the new Philippine Government, the Republic of China [ROC] has, through various channels, expressed its sincerity in furthering cooperative programs between the two countries. Philippine Tourism Minister Jose Antonio Gonzales' recent visit here indicated the new relations between two countries are developing, Chiu said.

The government has always concerned itself about the safety of the ROC fishing boats which were detained in the Philippines marine zone that they mistakenly entered owing to engine trouble, irresistible natural disasters or other unexpectable reasons, Chiu said. The crewmembers of the detained fishing boats have been taken care by the ROC personnel stationed at the Pacific Economic and Cultural Center in Manila. Most of them were released in a short time after the personnel managed the matter with the Philippine authorities, he said. Since 1981, he pointed out, the 102 of the 103 ROC fishing vessels detained by the Philippine patrolling ships were freed. The ROC personnel are trying their best in seeking the release of the remaining boat and its five crewmen, he added.

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